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Editorial AS WE SEE IT

The controversies which have been raging in the shipping industry involve in a striking way some of the most important and often overlooked aspects of industrial relations in this country today. Very briefly one of the main points of the conflict turns on an effort by the unions to reach enterprises which have found a perfectly legitimate—and we might say quite necessary—way of avoiding operating costs which would make it impossible for them to compete with foreign ships. Every one knows the exactions of the unions from shipping companies which, by reason of their American registry, are sitting ducks for the labor monopoly. The companies, or most of them, have been able to stay in business only because Uncle Sam pays them a subsidy at the expense of us all. The other concerns which the unions now have their eyes on are not in a position to draw subsidies under existing laws, and hence can not in the absence of changes in the law meet the charges the union would fasten upon them.

Let no one suppose that we have here an isolated or unusual situation except in technical detail. For many years Congress has laid high tariffs upon imports and they are defended on the ground that United States companies can not without help compete with foreign enterprises which pay very much lower wages and as a rule have to endure less restrictions on production. In some instances even these high customs levies are not enough to enable domestic producers to compete on even terms with foreign producers, and when they are high enough for the purpose it is often not long before domestic costs have risen to the point where foreign competition again becomes a real problem. In any event, this lack of virile competition from abroad lays a heavy burden upon the American consumer, and of course does nothing to enable American producers to compete in the so-called neutral markets.

There was a time when tariffs were high enough (in relation to relative costs) to make *(Continued on page 24)*

Determining if Bank Mergers Will Be Truly in Public Interest

By J. L. Robertson,* *Member of Federal Reserve Board, Washington, D. C.*

Central banking Governor doubts pending antitrust bank merger suits will settle today's conflicting, contradictory and inconsistent stands taken by three Federal supervisory agencies and State banking departments. Mr. Robertson marshals the "pro" and "con" merger arguments; appraises the "bank merger problem" in the light of the 1956 bank holding law, the 1960 bank merger act and the antitrust laws; and describes the circle banks are forced to run in taking up the merger gauntlet. What is required, he insists, is legislation spelling out a clearer standard as to competition's importance in determining whether a proposed merger is in the public interest.

Let me begin by assuming as if I were one who is unalterably opposed to bank mergers: Since I was born—a half-century ago, give or take a few years—the population of the United States has about doubled. Economic growth has been even greater. Gross National Product has increased fivefold. The amount of money in circulation today is more than 10 times what it was. And the total resources of the American banking system have risen from $22 billion to almost $300 billion.

James L. Robertson

But what has happened to our banking system, structurally? In 1920 our country had over 30,000 banks; today we have less than half that number. Every year hundreds of sound and serviceable independent banks disappear, having been absorbed by bigger institutions. Can anyone doubt, in the face of these facts, that the American banker is moving away from the free and open competitive system that has helped the country achieve its miracles of production, distribution, and general prosperity?

Now I must change the pitch—in both voice and substance—and act like somebody else, one of those who seem to think that bank mergers are our only salvation. The question now becomes: How did our country even achieve so much with such an antiquated banking system, and how much longer can we afford to pay the high price for this outmoded arrangement? When the National Banking System was established a century ago, perhaps a banking structure composed of thousands of small institutions was necessary. Since that time the population of our country has changed from overwhelmingly rural to overwhelmingly urban. When we cut the pattern of our banking system, there were no such things as the telephone, the automobile, or paved roads. Developments such as these should have obliterated the individual small-town bank, just as they did the local independent telephone system that served my home town, Broken Bow, Nebraska, when I was a boy.

Germany, France, Canada, Japan, England, Italy—countries that are now challenging our economic pre-eminence — each has a streamlined banking system in which from three to 11 vigorously competing nationwide banks control the bulk of the commercial banking resources of the country and are geared to serve nationwide industry both at home and abroad. A country as rich as ours perhaps could afford the luxury of having several times as many banks as the rest of the world combined, were it not that the iron law of relative efficiency is making the small unit bank more and more of an anachronism. The constantly increasing complexity of banking problems, the greater scope that larger organizations can offer promising young men, the advantages of electronic accounting that can be afforded only by institutions with tens of thousands of customers — all make it increasingly clear *(Continued on page 26)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 32.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

RICHARD D. MEYER

Senior Analyst, Hayden, Stone & Co., New York City

Vanity Fair Mills, Inc.

Today's stock markets anticipate sales and earnings growth of 10-15% per year by multiples upwards of twenty times. Vanity Fair Mills, Inc. is the quality name in the higher priced end of the $450 million lingerie business. It has an enviable record, a strong financial position, and growth potential which should allow it to double sales and earnings by the mid-sixties. The stock, at its recent price of 48, is selling at a conservative 13 times estimated 1961 earnings.


Richard D. Meyer

Vanity Fair is the leading domestic integrated manufacturer of quality nylon nightgowns, slips, petti-skirts, negligees and similar lingerie items. Its own sales force sells these products to over 3,000 better department and specialty stores. Management is well regarded, and has demonstrated definite ability.

In mid-1960, after exhaustive research, the company began to manufacture and distribute a new line of foundation garments which will eventually be made of "Lycra," a new DuPont synthetic. This material has the basic advantages of rubber, but is much lighter, stronger and possesses breathing qualities that rubber does not. Large scale availability of this synthetic is not expected until the middle of next year, but by 1965 "Lycra" should be the dominant fabric in the foundation market. I feel Vanity Fair will probably capture an impressive part of the quality segment of this the $400 million foundation market. The company expects pre-tax profit margins on this new line to exceed the 15% it presently achieves in the lingerie part of its business.

Vanity is completing a new plant in Butler, Ala., which will add about 25% to capacity, and allow full exploitation of the foundation line. It should be ready this summer. With this addition, this company will have five of the most modern plants in the industry, with an ultimate sales capacity of more than 25% over present production.

Realizing the vast potential of foreign markets, management has begun to enter into licensing agreements with lingerie makers outside of the United States. They will manufacture and sell the company's lingerie products under the "Vanity Fair" name with the help and supervision of the company. Vanity Fair will have no overseas investment, but will have the inherent profit potential. To date two foreign licensees have entered into agreement with the company, one in England, and one in Australia. In time others should be added. It would not be surprising to see these contracts extended to the foundation line and other product lines the company might add. While earnings from this source are now insignificant, they could develop substantially in the future.

Sales have risen consecutively from $21.6 million in 1955 to $27.8 million in the year ended Dec. 31, 1960. Earnings increased from $2.01 per share in 1955 to $3.11 in 1960. This was in spite of non-recurring expenses incurred by initially introducing the "Lycra" line of foundation garments. Earnings were probably also retarded by initial construction of the Butler, Ala. plant. If it had not been for these factors, earnings would have shown their fifth consecutive increase. These combined factors reduced earnings from $3.22 per share in 1959, to $3.11 in 1960.

Pre-tax profit-margins in this "off" year were 14.6%, and the company earned an enviable 24% on its equity.

The three months ended March 31, 1961 showed sales of $6.4 million, up 9.5% over sales of $5.8 million in the similar 1960 quarter. The company's 15.3% pre-tax margin in spite of substantially larger advertising expenditures was comparable to that of the 1960 period. Earnings on a slightly greater number of shares were $0.74 compared with the $0.69 of the previous year.

I expect these gains to accelerate as the year progresses. Sales and earnings per share should be in excess of $30 million and $3.50 per share.

The capitalization consists simply of 617,500 shares of common stock. The current ratio is a healthy 5 to 1 and the dividend is a modest $1.40 per share. In view of strong financial position of the company and its earnings progress, an increase in this dividend which only represents a 40% payment, is also very possible.

I feel this company is in an excellent position to accelerate its already good growth. As sales and profit margins continue to improve because of the impact of new lines as well as the growth of the traditional ones, the market will more generously evaluate the earnings of Vanity Fair, the leading company in its field. The stock is traded in the Over-the-Counter Market.

BERNARD FESHBACH

Analyst, Irving Lundborg & Co., Menlo Park, Calif.
Members New York Stock Exchange

Boothe Leasing Corp.

Last year I suggested Kerr-McGee Oil as an "ugly duckling that could turn into a beauty queen." Since the stock market still represents, in my opinion, a popularity contest my nomination for the beauty queen of tomorrow is Boothe Leasing Corp., a company with a remarkable earnings record and selling at what seems to me a reasonable price.


Bernard Feshbach

Boothe, a leader in the general equipment leasing field, is a relatively young (six years old) company whose earnings per share have increased an average of 39% per year for the past five years. (This includes a 5.4% drop in earnings in 1960 due to a non-recurring loss). In addition, earnings for 1961 should increase an

This Week's Forum Participants and Their Selections

Vanity Fair Mills, Inc.—Richard D. Meyer, Senior Analyst, Hayden, Stone & Co., New York City. (Page 2)

Boothe Leasing Corp. — Bernard Feshbach, Analyst, Irving Lundborg & Co., Menlo Park, Calif. (Page 2)

additional 50% to an estimated $1.25 and at $1.50 for 1962 very much probable. Management is aggressive and capable with a strong "outside" Board of Directors to help in policy making decisions. Boothe also offers the leverage of a small common stock capitalization (347,671 shares) and a high debt to common stock ratio with a top quality credit rating among banks, insurance companies and pension funds.

The general equipment leasing industry began to come into its own in 1952 and since then has grown at a very substantial rate. The dollar volume of equipment excluding transportation equipment, on lease by leasing companies rose from $40 million in 1954 to $227 in 1958 and over $400 million in 1960 and the industry expects it to top a billion dollars by 1965 at the latest.

Leasing equipment offers many advantages which in turn should insure the future growth of the industry. Some of the factors are (1) Defense contracts generally allow rentals as a cost but do not allow interest on borrowed money to be considered a cost. For companies doing governmental research and development work on cost plus work leasing then offers an obvious advantage. (2) Leasing represents a method (through purchase option agreements) for companies to acquire equipment with smaller down payments and longer repayment periods than those offered by conventional lending institutions. (3) Leasing enables a company to expand its plant immediately instead of waiting until it can generate the cash internally. This is particularly significant for smaller growing companies, and (4) Leasing can be used as a selling tool by the equipment manufacturer, not geared to leasing his equipment, in cooperation with the leasing company.

As with all plus factors some of the minus factors are (1) Lease financing is more expensive. (2) Methods for charging lease costs may be changed and (3) a natural prejudice against leasing rather than owning.

Boothe Leasing was formed in December of 1954 by a group headed by D. P. Boothe, Jr. Mr. Boothe had originally formed U. S. Leasing Corp. in 1952 and is generally regarded as the individual who pioneered general acceptance of equipment leasing by U. S. industry as a useful tool. Mr. Boothe has proven over the years that he is not only a good merchandiser and salesman of ideas but an energetic, aggressive individual who commands the loyalty and respect of his employees and associates.

The company has a strong active Board of Directors with 9 of the 11 members not concerned with the day to day running of the company but rather with the broader, policy making decisions. The chairman of the Executive Committee is Mr. Frederick W. Ackerman, President of Greyhound Corp. The Executive Committee also includes the Executive Vice-president and General Manager of Utah Construction, Mr. E. W. Littlefield and some highly regarded investment bankers.

The company, at the end of 1960, had 2400 lessees and property located in 50 states. It leases

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(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

EDP: Still in Its Infancy

By George W. Dick, Vice-President of Radio Corporation of America's Commercial Systems Dept. of Electronic Data Processing Division, Camden, New Jersey*

Problematical ability of electronic data processing physical equipment to outspace its usage is the uppermost question in Mr. Dick's paper dealing with startling developments making this decade the start of the "Era of Total Data Processing." The underlying need for education is stressed in the vivid description of fascinating array of probabilities said to lie ahead in the next 15 years resulting from equipment gains. Foreseen, for example, is the full cycle of automation as machines arrive at decisions based on logic. In commenting on the millions of dollars wasted in R/D, the writer says this occurs because it is cheaper to duplicate experiments than to find out what has been done on a given problem. Apparently this is the only unsolvable problem in the EDP world.

It is my stimulating assignment to "blue sky" a little, to discuss where electronic data processing probably will go in the next 10 to 15 years.

Despite the truly remarkable achievements of the past 15 years in computer technology, we have managed thus far to barely scratch the surface. (I am sure someone, somewhere, 10 years from now will say a similar thing about these years that I am going to discuss.) It is true that highly competent electronic machines have been built to take the paper-work burden off the businessman's back and extend man's thinking powers. By 1970, however, we can provide, through electronics, the means to give man virtually complete control over the manner in which his business is conducted—not just on a day-to-day basis, but far in advance, and the remoteness of data sources will be at worst a minor problem.

Yes, we can provide the electronic hardware. I have an abiding faith in the genius of man's ability to build the bigger, the better. But I also understand this much of human nature: Most men are victims of habit and hate change, at home or in business.

Therefore, my enthusiasm for the future from the hardware point of view must be in context. The questions are: First, can we as manufacturers learn how our wares can be most advantageously applied, and, secondly, will we be successful in convincing managements of the future that the tools are ready and useful ahead of their normal desire to accept?

The industry is in a "horsepower" battle at the moment. But what good is 350 horsepower if the speed limit is 60 miles an hour? Therefore, I predict an increasing emphasis on education from an industry that has been built on education. Management must act fast enough to take advantage of the horsepower that will be available in the future, not only to save money, but in order to survive in the world's competitive markets.

Still Used Only Part Time

Now, back to hardware! It's not exactly news, but computers and computer control devices to date have been electronic zombies, capable of prodigious labor at incredible speeds but dependent on the ability of human beings to systematize, prepare programs for, and push the right buttons at the right time. Computers have essentially been part-time workers, acting only when specifically told to perform certain tasks. The overall result has been curtailed by man's limited awareness of the machine's total potential.

In computer methodology, we are on a plateau of advancement comparable to that reached by the automotive industry when cars began to achieve general acceptance. The Maxwell's, the Model T's, the Marmons and the Rickenbackers were excellent machines for their time. A new mode of transport was available—but the automobile owner of that period was confined to a few passable roads in his immediate vicinity. Far in the future lay our present network of broad highways, the trans-state turnpikes, that allow the motorist or truckdriver to move swiftly and conveniently to distant destinations.

Up until now, and with only certain reservations, the electronic computer has been a tool to be brought into play only after the basic groundwork has been done by pencil-pushing, by manual effort. The data processing system is fed facts and figures collected and compiled with little help from the computer itself.

In the years before us, the computer will be but one element—although a vital one — in all encompassing systems for government, defense, industry, and business. By coupling the computer with advanced equipment for data acquisition, data gathering, data collection, data and information communications, display and control or guidance, we will create a "turnpike" network for the flow of data traffic.

1960s—The Era of Total Data Processing

In the 1960s begins the era of **total data processing.**

We can be reasonably assured of man's ability to extend his control over what happens because of major developments in the hardware of data processing, control

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OBSERVATIONS...

BY A. WILFRED MAY

UNCLE SHYLOCK GOES SOFT

(By Proxy)

WASHINGTON, D. C. — The inexorability of the push toward liberality in "underdeveloped" lending is splendidly highlighted by the newly revealed ground rules of the IDA (the International Development Corporation).

At the time of this multilateral lending Agency's formal proposal by the U. S. Governor of the World Bank at New Delhi in September, 1958, the "Liberal Aid" contingent raised a hue and cry to forestall its entering the aegis of Uncle Shylock (President Eugene Black) and his "tight-fisted, banker-motivated" World Bank.

Supporters of the new Agency's affiliation with the Bank realized the dichotomy between the loose credit-granting purposes of IDA, and the Bank's business-like purposes; as an example, the latter's compulsion by the articles of incorporation, to confine its lending to productive purposes; and the bank's specifically prescribed avoidance of taking into account the political character of the borrowing country — "only economic conditions shall be relevant to their decisions."

But the bank-affiliation supporters also saw the need for curtailing the contradiction in policies between the spawning Aid agencies. Such consistency was expected to be furthered by managerial double-functioning for both the Bank and IDA by a single set of officials.

(The President, Governors, and Executive Directors of the World Bank serve *ex officio* in the identical offices for IDA. And membership in the two institutions likewise overlaps. Only the funds of each are kept separate, with the United States' subscription the largest, at a potential total of $320.29 million.)

Now the expectations of those who feared stringency, along with those who expected a guarantee of lending soundness and consistency, to emerge from the Bank's supervision over the new agency are revealed as groundless. However, the shift to *softness* is seen by the "Hard Loan" cohorts as the necessary price paid by way of strategic political compromise. Had not this multilateral agency been rescued by the World Bank, and now operated as the best deal possible by way of compromise, we would be stricken with a "give away" agency even more irresponsible, as the U. N.'s still - threatening *SUNFED* proposal.

The New Ground Rules

The terms of IDA's financing are not specified in its charter as finally adopted in the fall of 1960. It prescribes only that they shall be flexible and shall bear less heavily on the balance of payments of underdeveloped countries than do conventional loans.

IDA's pattern of credit-granting as thus far indicated, follows the dual course of *softness* in the area of cost of borrowing and the time of repayment; but not in the *kind* of ultimate repayment, namely in convertible currency. This pattern is typically demonstrated by the terms of the "credit" (the dirty word "Loan" is studiously avoided) agreement just concluded (June 21) with India. This $60 million credit will finance half the amount which will be spent on the National Highways during the first 3½ years of the country's Third Five Year Plan which began April 1, 1961.

The term is 50 years.

It is interest-free.

It is repayable in foreign exchange.

Amortization is to begin only after a 10-year "period of grace." Thus, the first repayment of any kind will not be due until Aug. 15, 1971.

Thereafter, 1% of the principal will be repayable annually for another 10 years, and 3% for each of the final 30 years. The only non-capital repayment by the debtor at any time will be a "service charge" of three-fourths of 1% annually on the amounts disbursed and outstanding, to meet the administrative costs.

The Contrast

The contrast between these "soft" ground rules followed by IDA, and the business-like ones to which the Bank has been and is relentlessly invoking, is clearly demonstrated by the loans which the two bodies have concurrently extended to the Sudan. While IDA was extending a $13 million credit to the Sudan at its terms as above-cited, the Bank granted to the same State one of its customery loans, calling for 5¾% annual interest plus 1% commission, with the princpial to be repaid over 25 years whose annual instalments will begin in 1968.

Indicating the over-all contrast is the Bank's long-term record showing the interest charged as averaging 5¼% and the maturities averaging 20 years.

Inter-Agency Divergence

While the World Bank-IDA affiliation may succeed in avoiding contradictions between these two agencies, it is already evident that such a happy result vis-a-vis other economic-aid agencies, particularly the bilateral ones is doubtful.

Such policy divergence has also been evidenced in the case of Greece. The World Bank has been withholding loans to this country, following its long-time rule, because of its defaulting on its external loans. Its needs have been satisfied by our Development Loan Fund to the tune of a $12 million loan extended January, 1959, and a $31 million 25-year credit extended in January, 1960.

Surely there should be greater unification in aid-giving operations, not only among our domestic agencies as promulgated by President Kennedy, but between them and the international units.

Also, the President might well define his distinction between a loan, credit, and grant. In his Foreign Aid message he stated his strong preference for loans as opposed to grants, including "loans" at no interest rates and with long terms to maturity.

* * *

THE CONGRESS KIBITZES THE FAST-BUCK GAME

In our reflections last week on the Congressional hearings on the SEC's supervision over the stock markets, we suggested the resulting linking of governmental sanctification of gambling activities.

This has now been promptly substantiated by Chairman Mack's broadly publicized challenge to Stock Exchange President Funston as to whether advanced leakage of his recent Warnings about the speculative excesses was exploited profit-wise by "insiders." Thus, our August Legislators reveal themselves as being concerned with the Stock Exchange as a medium for the **fast-buck.**

* * *

FROM OUR MAIL BOX

The letter following below refers to our column "Rockets, Satellites — and Investment Growth" of April 27 last. We maintained that many corporate outlays regarded as spelling expansion are really *defensive*, and —at least in the investor's mind —should be regarded as an offset against current income.

"Defensiveness" as thus used by us denotes failure of the outlay to bring in correspondingly increased earnings. Citing du Pont, as an example, we maintained that the current overemphasis on *research* activities, along with *cash flow*, omits their partially *defensive* nature.

Dear Mr. May:

This is by way of comment on your recent piece relating to the element of "defensiveness" in expenditures for plant and equipment and for industrial research.

I believe that there is a substantial amount of conceptual validity in the distinction you draw between capital outlays which contribute directly to growth and those which are made primarily in response to the necessities of competition. I am not sure, however, how far one can go in actually separating the two in practice. The motivation for many capital outlays (including those which you cite as examples of defensive expenditures) appears to contain significant elements of both growth and defensive factors. This applies even more strongly to research expenditures. Thus, I think it might be extremely difficult to make an appropriate adjustment which would effectively introduce more realism into investment analyses of future growth prospects.

Incidentally, you may be interested in a recent book by a Belgian economist, A. Lamfalussy, entitled "Investment and Growth in Mature Economies" (Macmillan, 1960) in which the author attempts to introduce the concept of "defensiveness" into the theory of investment in much the same manner in which you have used the term.

I hope that you will find these brief comments of some value. They, of course, represent only my own views and not those of anyone else connected with Du Pont.

Very truly yours,

Leonard M. Wilson

Business Economics Section,
E. I. du Pont de Nemours & Co.,
Wilmington, Del.,
June 28, 1961

We heartily agree with Mr. Wilson that it would be extremely difficult to make quantitative adjustments to reflect the "defensive" factor in "growth" expenditures. Our emphasis is on the need for investor realization of the factor's existence. A.W.M.

Courts Co. Names Nunnally, Cooledge

ATLANTA, Ga. — Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange have announced that McKee Nunnally has been named managing partner of the firm.

McKee Nunnally

Norman A. Cooledge has been admitted to general partnership.

Scott, Stringfellow To Admit Partner

RICHMOND, Va. — On July 13, Frederic S. Bocock will be admitted to partnership in Scott & Stringfellow, Mutual Building, members of the New York and Richmond Stock Exchanges.

Mead, Miller Admit Four

BALTIMORE, Md.—Mead, Miller & Co., Charles and Chase Streets, members of the New York Stock Exchange, have announced that William F. Coleman, William U. Hooper, Jr., Joseph Snyder, and Frank J. Taylor, Jr. have been admitted to general partnership in the firm.

To be V.-P. of Donaldson Lufkin

On July 13 James E. Cross will become a Vice-President of Donaldson, Lufkin & Jenrette, Inc., 80 Pine Street, New York City, members of the New York Stock Exchange.

Samson Associates Branch

OSSINING, N. Y.—Samson Associates, Inc. has opened a branch office at 4 Croton Avenue, under the management of Lorraine C. Stevenson.

Johnson, Lane Officer

ATLANTA, Ga. — Herschel F. Smith, Jr. has become assistant secretary of Johnson, Lane, Space and Co., Inc., Commerce Building, members of the New York Stock Exchange.

Screening the Coal Stocks

By Dr. Ira U. Cobleigh, Enterprise Economist

A short review of the prospects of three interesting coal companies.

Among our energy sources, coal has been, for decades, losing out to its competitors, either because other fuels cost less, were easier to transport, or handier to burn. But, withal, a solid demand for coal (bituminous) has persisted in two main areas,—for electric utility generating plants and for the steel industry. These somewhat specialized demands have caused coal shares to be classified as cyclical stocks. And cyclical stocks are being currently spotlighted by a number of analysts, mainly because they (the cyclicals, not the analysts) appear to have lagged behind the market.

If coal shares are not fashionable, they are, at least, fundamental. Many of them have earned money and paid dividends for long periods of years; and quite a few have been steadily building up their net worth, and publishing balance sheets evidencing meaty book values and magnificent solvency. So if coal shares lack the glamor of an electronic or a cosmetic issue, they make up for it, in part, by the tangible values delineated in their balance sheets.

Consolidation Coal

Our first candidate for discussion today is Consolidation Coal, the largest producer of soft coal in the United States with an annual capacity of 40 million tons. In 1960 it produced 29 million tons on its own account, 4 million tons were mined by lessees, and 5.6 million tons sold for the account of others. In point of use, 43% of output went to utilities and 28% to steel and coking oven use.

In the transportation of its products Consolidation has shown considerable imagination and initiative. It built and operates a 108-mile coal pipeline which delivers 1.2 million tons of coal a year in a watered "slurry" (about as thick as crude oil) from its mines to the Cleveland Electric Illuminating Company. In partnership with Texas Eastern Transmission, it has under consideration the construction of a 350-mile pipeline to the Eastern Seacoast. This would cost $125 million, and require an equity investment of about $15 million apiece by each company. The line would carry 6 million tons annually. There's quite a problem here in acquiring rights of way; and, of course, long-term contracts with the utilities must be secured in advance. Other geographic areas, also, may, in the future, be profitably served by Consolidation Coal pipelines.

In addition to its coal holdings —33 mines in Virginia, West Virginia, Pennsylvania and Ohio— Consolidation has a 47½% interest in National Potash Co. and, with Standard Oil of Ohio, a carbon calcining plant in West Virginia.

Financial position is excellent with current assets, at the 1960 year-end, of $136.7 million against current liabilities of only $22.4 million. Coal lands with estimated reserves of 2.8 billion tons, plus other real estate, are most conservatively carried on the balance sheet at $92 million. Only $18.3 million in debt precedes the 9,081,000 common shares outstanding and now trading on the New York Stock Exchange at around 36. The $1.40 dividend is protected by earnings running at the rate of $2.00 a share; and a cyclical peak in 1957 produced a per share net of $2.90 in that year. Consolidation Coal is a comfortable and durable, if not a dramatic, equity; and today's market price may represent a modest undervaluation.

Island Creek Coal

Island Creek Coal is a highly cyclical equity, since about 60% of its sales are for metallurgical coal use, and demand is closely tied to the fortunes of the steel industry. At this juncture, the steel business appears in an uptrend and consequently a constructive view of Island Creek may seem justified.

If the demand for metallurgical coal is more variable than for utility coal, an offset is found in higher profit margins — margins that have enabled Island Creek to earn $4.26 a share in a peak year. After a slow start in 1961, Island Creek operated at almost 100% of capacity during May—a phenomenon that suggests a significant improvement in 1961 per share net.

The balance sheet items of Island Creek are all favorable—no funded debt, book value of $30 a share and working capital of $6.60 per share. There are 2,068,000 shares of ICR common listed on the New York Stock Exchange. Current price is 27½ at which the yield, on the $1.50 dividend, is about 5½%. Pricewise the stock appears in a favorable cyclical phase. Last year's low was 20 against a postwar high of 56⅞. At 27½ there appears to be more room up than down, particularly so if the earnings' curve ascends. And buttressing the company for the long-term, are 800 million tons of coal reserves, enough to keep Island Creek operating to 2020 A.D.

North American Coal Corporation

This is a much smaller enterprise, with 220 million tons in estimated recoverable reserves. It has four (Powhatan) mines in Ohio — the biggest on the Ohio River, and is in a position to benefit from low cost water transportation. The company also has one mine in Ohio, one in Virginia, one in Pennsylvania, a Dakota collieries division, and three shutdown mines in West Virginia. For 1960, shipments were 6,335,000 tons of mined coal and 179,000 tons purchased.

A favorable factor for North American Coal is maintained product demand assured by the sales to electric utilities, which, for 1960, accounted for 67% of total sales. About two-thirds of total output is sold under long-term contracts.

In addition to a solidly successful coal operation, North American (the fourth largest coal company in the U. S.) owns jointly with Strategic Materials Corp., (it also owns 66,000 shares in this company) Strategic North American. This venture has a pilot plant at Niagara Falls, N. Y. to convert mine wastes to alumina and aluminum sulphate. Another plant at Powhatan, Ohio, is expected to go on stream in August, bringing total annual capacity up to 40,000 tons. While it is impossible to predict the success or the ultimate magnitude of these new operations, there are billions of tons of mine wastes waiting to be processed if the process plant works out satisfactorily; and thus an interesting and additional speculative element, not common among coal companies, is offered by North American. There are 1,589,603 common shares of North American Coal outstanding, preceded by $10 million in long-term debt, of which $2½ million is an issue of notes, convertible into common at 19½ until 11/1/67. North American Coal common trades over-the-counter and sells currently around 19. Dividends have been paid in each year since 1947, with the present indicated rate 60c.

Earnings are in an uptrend, with per share net of 18c for the first quarter of 1961, against 10c last year. North American Coal common thus might deserve a second look by those who like to combine rising earning power with a cyclical potential for market gain.

While we realize that on many investment lists coal shares are very low on the totem pole, it should be pointed out that just about all the things that could happen to coal stocks, have already occurred — competition, more efficient electric generating plants, over production, mine cave-ins, price wars, and the demise of the coal burning choo-choo. Thus the companies left have developed a sturdy industrial defense and would not be alive today were it not for extensive low cost reserves, greatly improved operating efficiency, favorably priced long-term contracts, and efficient transportation.

The issues outlined today may never replace IBM as a market favorite, but they do present sturdy balance sheet, and, in the ground, assets fashionable in an earlier day, and not to be viewed with disdain, even by present ultrasonic methods of security analysis.

Cruttenden Co. Expands in St. Louis

ST. LOUIS, Mo. — Broad expansion of Cruttenden, Podesta Co.'s investment services and facilities in St. Louis, and the appointments of Charles M. Peltason and Chester J. Cadle as resident co-managers, have been announced by Walter W. Cruttenden, general partner.

Keystone of the expansion program is the just-completed move into new and larger quarters, in the Boatmen's Bank Building Arcade (322 North Broadway).

Mr. Peltason was formerly a vice-president of Fusz-Schmelzle & Co., Inc., supervisor of research and portfolio analysis, and a specialist in the evaluation of St. Louis area industries. Mr. Cadle has been with the CP organization in St. Louis since 1954. Previously he was associated with the old Central Republic Co., for several years.

Powell to be V.-P. Of Eppler, Guerin

DALLAS, Texas—David J. Powell on July 13 will become a Vice-President of Eppler, Guerin & Turner, Inc., Fidelity Union Tower, members of the New York Stock Exchange. Mr. Powell is a regional Vice-President of Hugh W. Long & Co., Inc. with headquarters in Dallas.

Texas IBA Group 1962 Meeting

SAN ANTONIO, Texas — The Texas Group of the Investment Bankers Association of America will hold its 1962 annual meeting in San Antonio, Texas, April 8 through April 10, at the St. Anthony Hotel.

Now Wuille-Sohngen

ARCADIA, Calif. — Wuille-Sohngen & Associates, 333 East Foothill Boulevard is continuing the Investment business of Kennedy Wuille Co.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

June has been an unusual, if not a unique month for the state and municipal bond business. The *Bond Buyer* reports that a record total of $1,001,432,386 of long-term financing was accomplished during the month; bringing the six months' total to $4,458,894,041. This extraordinary tax-exempt investment activity has been successfully transacted throughout a period perfused with general bond marketing difficulties. A technically weak Treasury market with its broad influences has placed both corporate and municipal bond markets in an almost chronically nervous condition. However, this formidable investment accomplishment has left its wounds and scars; but the bond dealers may be proud of them and their efforts. In June they collectively handled a record in volume; but there were no records in profits!

Record Inventory, Too

In view of last month's heavy new issue volume it is of little wonder that the dealer inventories are presently swollen. As a matter of fact, the record underwriting volume has, as we've previously pointed out, induced record inventory volume, if the *Blue List* may be used as an accurate criterion. More than a half-billion dollars of state and municipal offerings have been intermittently shown during the past few weeks. These two volume figures seem not unreasonably related, however, at least for this normally busy underwriting season. Downward price adjustments have been rather reasonably accompanying this record-breaking coincidence to the end that the expected respite from heavy new issue volume may portend a substantially reduced inventory situation before very long.

Yield Index Unchanged

During the past few days the prices for secondary market state and municipal bond offerings has changed but little. Although the bidding for new issues has recently been at levels adjusted downward in order to invite a ready investor reception, the general level of high grade secondary market offerings has continued about unchanged. The *Commercial and Financial Chronicle's* high grade 20-year general obligation bond yield Index is about unchanged from a week ago. Whereas the yield averaged out at 3.423% a week ago, it continues at that average yield as of July 5.

In some disregard of this fairly accurate mechanical measure of the market, we would hasten to add that we believe the market to be easier in its general tone than obtained a week ago. Much business has been done at prices variously reduced and not necessarily made public. However, as we peer ahead, some technical improvement in the tax-exempt market seems likely.

Pending Volume Small

This holiday week leads off a period of light new issue volume. Whereas the average 30-day scheduled calendar runs in the $500,000,000 area, the 30-day calendar now stands at roughly $350,000,000. This total does not include $51,865,000 New York Housing Finance Agency (1964-2004) bonds to be bought at negotiated sale and reoffered as close to July 12 as possible through the syndicate headed by Phelps, Fenn & Co., Lehman Brothers, Smith, Barney & Co. and W. H. Morton & Co., Inc. This is the only piece of negotiated financing apparently close to the marketing state.

In the bid rate category the only large offering added to the new issue calendar recently involves $60,315,000 Public Housing Authority serial bonds to be bid for August 2. This offering seems well tailored to the summer market; the relatively moderate volume should be easily taken.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.80%	3.65%
Connecticut (State)	3¾%	1980–1982	3.50%	3.40%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.50%	3.40%
New York (State)	3%	1978–1979	3.40%	3.25%
Pennsylvania (State)	3⅜%	1974–1975	3.25%	3.15%
Vermont (State)	3⅛%	1978–1979	3.35%	3.20%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.30%
Los Angeles, Calif.	3¾%	1978–1980	3.80%	3.65%
Baltimore, Md.	3¼%	1980	3.50%	3.40%
Cincinnati, Ohio	3½%	1980	3.45%	3.35%
New Orleans, La.	3¼%	1979	3.70%	3.55%
Chicago, Ill.	3¼%	1977	3.75%	3.65%
New York City, N. Y.	3%	1980	3.60%	3.55%

July 5, 1961 Index=3.423%

Wishful Thinking?

Although increased business activity continues to be forecast variously in extremely strident tones, there is but fragmentary evidence thereof at present. Actually the money market continues to be easy and well accommodated to the less than pressing commercial demands. It appears to us at this intermediate juncture that the highly propagandized improvement in the general economy may lag dangerously behind the inflationary forces set in motion for purposes of priming the gains.

The total money rate structure seems unlikely to be effectively propelled by means of the so-called "nudge" method of bond market control. The market for Treasury issues is so relatively out of line with other categories of debt securities as to appear awkward, as well as inordinate. Unless a better relationship is carefully developed by the managers the entire bond market may likely suffer. From the municipal market viewpoint, prices might appear well adjusted to investor interest but there can be no consistent isolation from the situation as a whole.

Recent Financing

In last week's article the award of $29,500,000 Harris County and Flood Control District, Texas bonds was reported but no results were given due to the late hour of sale. The $24,500,000 various general obligation limited tax (1962-2001) bonds which were awarded to the account managed by the Harris Trust and Savings Bank were well received by investors and, after the initial order period, the issue appeared about 70% sold. The balance today is reported as $6,185,000. The $5,000,000 unlimited tax general obligation (1962-1981) bonds which were bought by the Northern Trust Co. and the Morgan Guaranty Trust Co. of New York group have been sold down to $1,052,000.

On Wednesday, June 28, $10,000,000 Dallas, Texas, Independent School District (1962-1981) bonds attracted six bids and were awarded to the syndicate headed by The Chase Manhattan Bank. The unusual aspect of this sale was that it took place 10 p.m. New York time. It is very unusual for a sizable general market issue to be sold at such a late hour.

Included among the other underwriters were Smith, Barney & Co. and the Harris Trust and Savings Bank, the Continental National Bank and Trust Co. of Chicago, John Nuveen & Co., F. S. Smithers & Co. and The First National Bank of Oregon. The bonds were scaled to yield from 1.60% to 3.50% in 1980. The last maturity which bore a one-tenth of one per cent coupon was reoffered to yield 4.50%. The present balance is $3,431,000.

Holiday Curbs Business

The volume of new issue underwriting during the past week was exceptionally light due to the July 4 holiday. The par value of the seven largest issues scheduled for sale in this period amounted to less than $9,000,000. The largest issue, $2,520,000 El Paso, Texas, general obligation (1962-1985) bonds, came to market on Thursday, June 29. The high bid for the bonds was submitted by the group managed by The First National Bank in Dallas and including the Republic National Bank, Merrill Lynch, Pierce, Fenner & Smith, Inc., El Paso National Bank, Fort Worth National Bank, and others. The bonds were priced to yield from 1.60% to 3.75%. To date the account has generated only fair business. About two-thirds of the bonds remain in account.

Also on June 29, Atlanta, Ga. awarded $1,000,000 Airport revenue (1963-1991) bonds to the

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Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

July 6 (Thursday)			
Jackson U. S. D., Mich.	4,300,000	1964-1987	7:30 p.m.
Washington Twp. Sch. Dist., N. J.	1,400,000	1962-1986	8:00 p.m.
July 7 (Friday)			
Kingman-Reno Cos. HSD 8, Kan.	1,387,000	1962-1981	7:00 p.m.
July 10 (Monday)			
Cinnaminson Twp. S. D., N. J.	1,300,000	1963-1982	8:00 p.m.
Flint, Mich.	5,580,000	1962-1991	3:00 p.m.
North Monterey Co. U. S. D., Cal.	1,600,000	1962-1986	10:30 a.m.
Port of Portland, Ore.	1,500,000	1962-1981	10:00 a.m.
Portland, Ore.	1,000,000	1963-1976	10:00 a.m.
July 11 (Tuesday)			
Benton Co., Richland SD 400, Wash.	1,658,000	1963-1976	9:00 a.m.
Chattanooga, Tenn.	3,000,000	1962-1986	11:00 a.m.
College of Texas, A & M, Texas	5,000,000	1962-1981	10:00 a.m.
Detroit, Michigan	2,700,000	1962-1971	10:30 a.m.
Heath, Ohio	1,000,000	1962-1981	Noon
Honolulu City & County, Hawaii	7,000,000	1966-1991	8:00 p.m.
Long Beach Unified S. D., Calif.	1,000,000	1962-1981	9:00 a.m.
Los Angeles, Calif.	18,800,000	1962-1981	9:30 a.m.
Manchester, Conn.	1,155,000	1962-1979	Noon
Memphis, Tenn.	13,500,000	1962-1991	2:30 p.m.
Old Saybrook, Conn.	1,428,000	1962-1981	2:00 p.m.
Pontiac, Mich.	3,530,000	1962-1991	7:30 p.m.
Salina, Kan.	3,600,000	1962-1986	4:00 p.m.
University of Texas	6,000,000	1962-1981	10:00 a.m.
July 12 (Wednesday)			
Ketchikan, Alaska	1,450,000	1962-1991	8:00 p.m.
New York State Housing Finance Agency	51,865,000	1964-2004	--------
[Negotiated offering headed by Phelps, Fenn & Co., and including Lehman Brothers, Smith, Barney & Co., Inc., & W. H. Morton & Co., Inc., as co-managers.]			
Sacramento-Yolo Port Dist., Calif.	7,000,000	1962-1991	10:00 a.m.
July 13 (Thursday)			
Lovington Mun. Sch. Dist. 1, N. M.	1,000,000	1962-1966	1:30 p.m.
Milwaukee County, Wis.	11,429,000	1962-1981	11:00 a.m.
Springfield, Ore.	1,960,000	1966-1991	7:30 p.m.
Washington State University	8,354,000	1962-2000	9:00 a.m.
July 15 (Saturday)			
Hopkins County, Ky.	1,600,000	1962-1981	10:00 a.m.
July 17 (Monday)			
Florida Development Commission	2,000,000	1963-1971	11:00 a.m.
Western Illinois University	3,000,000	1964-2001	2:00 p.m.
July 18 (Tuesday)			
Bloomington, Minn.	3,500,000	1963-1982	4:30 p.m.
Corpus Christi, Texas	2,400,000	--------	10:00 a.m.
Douglas County Sch. Dist. 66, Neb.	1,000,000	--------	--------
Glendale Unified Sch. Dist., Calif.	2,000,000	1962-1981	9:00 a.m.
Knoxville, Tenn.	2,000,000	1962-1981	10:00 a.m.
Maine (State of)	9,600,000	--------	11:00 a.m.
Meriden, Conn.	4,802,000	1963-1981	11:00 a.m.
Monroe, Louisiana	1,700,000	1962-1986	10:00 a.m.
Newark, N. J.	8,000,000	1962-1981	Noon
South Milwaukee, Wis.	1,400,000	1962-1981	2:00 p.m.
Stockton Unified Sch. Dist., Calif.	2,674,000	1962-1986	1:30 p.m.
July 19 (Wednesday)			
Charleston, S. C.	2,500,000	1962-1993	Noon
July 20 (Thursday)			
Menasha, Wis.	1,300,000	1962-1981	2:00 p.m.
Mississippi (State of)	4,200,000	1964-1996	10:00 a.m.
Northeast Missouri State Teachers College	1,363,000	1963-2000	5:30 p.m.
Oklahoma City, Okla.	1,561,000	1966-1968	10:00 a.m.
July 21 (Friday)			
Newark Special Sch. Dist., Del.	1,200,000	1962-1985	Noon
St. Andrews Presbyterian College North Carolina	1,340,000	1964-2001	10:00 a.m.
July 24 (Monday)			
Coldwater, Mich.	1,995,000	1962-1986	8:00 p.m.
Eugene, Ore.	1,000,000	1962-1981	10:00 a.m.
New Mexico State Armory Board	1,000,000	1962-1971	1:30 p.m.
Spring Lake Heights, N. J.	1,120,000	1962-1991	8;30 p.m.
July 26 (Wednesday)			
Alaska (State of)	13,975,000	1962-1991	9:30 a.m.
Michigan (State of)	35,000,000	--------	--------
North Carolina (State of)	17,160,000	--------	--------
July 27 (Thursday)			
Tampa, Fla.	2,850,000	--------	--------
Triton Sch. Bldg. Corp., Ind.	1,700,000	1964-1991	1:00 p.m.
July 31 (Monday)			
Charleston, West Virginia	4,000,000	--------	Noon
Aug. 2 (Wednesday)			
Maryland (State of)	16,943,000	--------	--------
Public Housing Admin., D. C.	60,315,000	--------	--------
San Jose, Calif.	4,000,000	1962-1981	11:00 a.m.
Aug. 9 (Wednesday)			
Wichita Sch. Dist. No. 1, Kan.	1,600,000	1962-1981	10:00 a.m.
Aug. 22 (Tuesday)			
Cook County, Ill.	25,000,000	--------	10:30 a.m.
Rio San Diego Mun. Dist., Calif.	2,400,000	--------	--------
Sept. 5 (Tuesday)			
El Paso County, Texas	1,750,000	--------	--------
Sept. 13 (Wednesday)			
Harris, Co., Houston Nav. Dist., Tex.	9,000,000	--------	--------
Los Angeles Dept. of W. & P., Cal.	15,000,000	--------	--------

Tax-Exempt Bond Market

Continued from page 6

account consisting of White, Weld & Co., Courts & Co., The Johnson, Lane, Space Corp., Wyatt Neal & Waggoner, and J. W. Tindall & Co. The Atlanta Airport during the last decade has ranked among the top ten airports in the nation in commercial traffic. Yields ran from 2% to 4%. A balance of $370,000 bonds remains in account at this writing.

Revenue Issues Off Slightly

The toll road and other revenue term issues have given a little ground during the last reporting period. The **Smith, Barney & Co.** Turnpike Bond Index figured to an average yield of 3.82% as of June 29. The previous week's average was 3.79%, making for a weekly sell-off of close to half-a-point. This slight dip was partly attributable to the $118,000,000 Kentucky Turnpike flotation. The term portion of this offering (4.85s due July 1, 2000) is quoted at about 99-99½. In view of the nervous market this would seem to be a quite favorable development.

The Indiana Toll Road 3½s due Jan. 1, 1994 were quoted as low as 80-80½ during the last reporting period. Bonds sold in some volume at 80 and at 80⅛. Relatively poor revenues during the spring were largely responsible for this dip. In the meantime it is reported that the Authority may soon start redeeming some of its bonds. With $19,600,000 (two year's interest) placed in the bond reserve fund, and with other funds brought up to requirements, about $4,000,000 is to be placed in the redemption fund. Today the bonds are quoted 84-85.

Measured by the July 5 *Blue List* state and municipal bond total ($494,045,000), street inventories continue to be relatively high. However, anticipated institutional interest may reduce this float considerably during the weeks of light new issue volume ahead. With this possibly improved technical situation the tax-exempt bond market might better than hold its own.

With Calif. Investors

LOS ANGELES, Calif. — Victor Schneider has been added to the staff of California Investors, 3932 Wilshire Boulevard, members of the Pacific Coast Stock Exchange.

Bruns, Nordeman Office

GREENFIELD PARK, N. Y.—Bruns, Nordeman & Co. have opened an office in the Pioneer Country Club under the management of Harold M. Schechter.

Hemphill, Noyes Branch

OXNARD, Calif. — Hemphill, Noyes & Co. has opened a branch office at 228 South A Street under the management of Charles O. Doud.

New Hentz Branch

SWAMPSCOTT, Mass.—H. Hentz & Co. has opened a branch office at the New Ocean House under the management of David Weisman.

R. F. Ruth Joins White, Weld & Co.

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Reuben F. Ruth has joined the staff of White, Weld & Co., 523 West Sixth Street. Mr. Ruth, who has been in the investment business for many years, was formerly with Shearson, Hammill & Co.

Thos. Joyce Opens

SAN ANTONIO, Tex.—Thomas F. Joyce is conducting a securities business from offices at 417 Garraty Road.

Form Hubinger-Philipson

UTICA, N. Y.—Hubinger-Philipson Inc. is engaging in a securities business from offices at 1230 first Naitonal Bank Building.

Officers are John M. Hubinger, President; Meyer Philipson, Vice-President and Treasurer; and Eugene P. Hubbard, Secretary. Mr. Hubinger and Mr. Philipson were formerly officers of Max Philipson & Co., Inc.

Form Rutner, Jackson

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Rutner, Jackson & Gray, Inc. has been formed with offices at 811 West Seventh Street to engage in a securities business. Officers are John G. Rutner, President; James M. Jackson, Vice-President; and Jack H. Gray, Secretary and Treasurer.

Midwest Exchange Names Advisors

CHICAGO, Ill. — Six top executives have been selected as public advisors to the Midwest Stock Exchange for the coming year, it has been announced by Norman Freehling, Chairman of Midwest's board of governors and a senior partner in Freehling, Meyeroff & Co.

New members of the advisory group are Ralph M. Besse, President of the Cleveland Electrical Illuminating Co., James C. Downs, Jr., President of Real Estate Research Corp. (Chicago), Frank W. Jenks, President of International Harvestor Co. (Chicago), Nicholas P. Veeder, Chairman and President of Granite City Steel Co. (St. Louis) and Kenneth V. Zweiner, President of the Harris Trust and Savings Bank (Chicago).

Re-elected to a third consecutive term was Thomas G. Harrison, Chairman of Super Valu Stores, Inc., Minneapolis.

Function of the advisors, who are elected by the board of governors, is to represent the viewpoint of the general public in formulating Exchange policies. They cannot be members or nominees of member firms.

Laner & Co. Formed

CHICAGO, Ill.—Laner & Co. has been formed with offices at 173 West Washington Street to engage in a securities business. Officers are Herman P. Laner, President; Elsie Laner, Treasurer, and Ralph M. Goren, Secretary. Mr. Laner was formerly with Leason & Co. Inc.

Director of Wall Street Inv.

Theodore Sanborn, of St. Paul, Minn., has been elected a director of Wall Street Investing Corporation, it has been announced by John H. G. Pell, President.

Mr. Sanborn is president and director of the North Central Co., North Central Life Insurance Co., North Central Financial Planning Corp., and Wall Street Planning Corp. He is also director of Maine Fidelity Life Insurance Co. and chairman of the Twin Cities Chapter, Young Presidents Organization.

Oppenheimer Office

FLEISCHMANNS, N. Y.—Oppenheimer & Co. has opened a branch office in the Takanassee Hotel & Country Club under the management of Mrs. Edith Narzisenfeld and David Narzisenfeld.

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Canadian Budget and the Economy — Review — Bank of Montreal, Secretary's Office, P. O. Box 6002, Montreal 3, Que., Can.

Canadian Common Stocks and Corporate Profits — Chart Analysis—Draper Dobie & Co., Ltd., 25 Adelaide St., West, Toronto, Ont., Canada.

Canadian Economy — Discussion —Goodbody & Co., 2 Broadway, New York 4, N. Y.

Electrical and Electronics Industry in Puerto Rico—A Survey by Richard L. White—Economic Development Administration of Commonwealth of Puerto Rico, 666 Fifth Ave., New York 19, N.Y.

Japanese Market — Review—Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Mitsukoshi Ltd.**

Japanese Market — Review—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Nissan Motor Co. Ltd.** and **Yashica Co., Ltd.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available are analyses of **Yawata Iron & Steel; Fuji Iron & Steel; Hitachi Limited** (electronics); **Kirin Breweries; Sumitomo Chemical; Toyo Rayon; Toanenryo Oil Company; Sekisui Chemical Co.** (plastics); **Yokohama Rubber Co.;** and **Showa Oil Co.**

Mid-Year Outlook — Review of market conditions—Hirsch & Co., 25 Broad St., New York 5, N. Y. Also in the same brochure are analyses of **U. S. Rubber** and **Granite City Steel.**

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Since 1894 — Booklet reviewing the highlights of its development and methods of investment management—Calvin Bullock Ltd., 1 Wall Street, New York 5, N. Y.

Treasure Chest in the Growing West—28 page brochure about industrial opportunities in the area served—Utah Power & Light Co., Dept. K, Box 899, Salt Lake City 10, Utah.

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American Greetings Corporation —Analysis — McDonald & Company, Union Commerce Building, Cleveland 14, Ohio.

American Meter—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Wilson & Co.**

American Research & Development — Analysis—Colby & Company, Inc., 95 State Street, Boston, Mass. Also available are data on **Gulf Mobile & Ohio Railroad** and **Rockwell Standard.**

American Stores — Bulletin—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y. Also available is a chart memorandum of **Texas Gulf Producing.**

Bangor & Aroostook—Data—Vilas & Hickey, 26 Broadway, New York 4, N. Y. Also available are data on **Central of Georgia, Chicago & Northwestern, Illinois Central, Missouri - Kansas - Texas, Missouri Pacific** and **St. Louis-San Francisco.**

Barden Corporation—Report including comparison with 5 other bearing companies—Van Alstyne, Noel & Co., 40 Wall Street, New York 5, N. Y.

Biederman Furniture Company—Analysis — Dempsey-Tegeler & Co., 1000 Locust Street, St. Louis 1, Mo. Also available are analysis of **Hussman Refrigerator Co.,** and **Inland Container Corp.**

Boeing Company — Analysis — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Boise Cascade Corporation — Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are data on **Pure Oil Company, Homestake Mining, United Fruit, Electric Bond & Share, Fedders, American Optical, Chicago & North Western** and **Ceco Steel.**

Border Chemical Co., Ltd.—Bulletin—Don Bucholz, 330 East 43rd St., New York 17, N. Y.

Briggs & Stratton Corporation—Analysis—Loewi & Co., Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on **United States Servateria Corp.**

Brunswick Corporation—Report—Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Canadian Pacific — Memorandum —Wills, Bickle & Company, Ltd., 44 King St., West, Toronto, Ont., Canada.

L. E. Carpenter & Co.—Memorandum—Davis, Rowady & Nichols, Buhl Building, Detroit 26, Mich.

Cerro Corporation — Report — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y. Also available is a bulletin on **Chemicals.**

Coca Cola Bottling of New York —Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y. Also available is a report on the **Electric Utilities** with particular reference to **Boston Edison, Duquesne Light, Interstate Power, New England Electric, Niagara Mohawk Power** and **St. Joseph Light & Power.**

Colgate-Palmolive Co. — Memorandum—R. W. Pressprich & Co., 48 Wall Street, New York 5, N. Y.

Colonial Mortgage Service Co.—Analysis—Hooker & Fay Inc., 221 Montgomery Street, San Francisco 4, Calif.

Columbia Broadcasting System—Memorandum—Ross & Hirsch, 120 Broadway, New York 6, N. Y. Also available is a memorandum on **Loew's Theatres.**

Continental Copper & Steel—Report—Purcell & Co., 50 Broadway, New York 4, N. Y. Also available is a list of 20 stocks for income.

Fruehauf Trailer Co. — Report — Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

P. H. Glatfelter Co. — Memorandum—Yarnall, Biddle & Co., 1528 Walnut Street, Philadelphia 2, Pa.

Hoogovens — Report — Winslow, Cohu & Stetson Inc., 26 Broadway, New York 4, N. Y.

Hydro Electric Utilities—Analysis —Greenshields & Co. (N. Y.) Inc., 64 Wall Street, New York 5, N. Y.

International Harvester Co.—Review — Fahnestock & Co., 65 Broadway, New York 4, N. Y. Also available is a review of **Textron.**

International Mining Corp. — Analysis — Schirmer, Atherton & Co., 50 Congress Street, Boston 3, Mass.

International Telephone & Telegraph — Data — B. C. Christopher & Co., Board of Trade Building, Kansas City 5, Mo. Also available are data on **Avco Corp.**

Kayser Roth — Memorandum — Newborg & Co., 25 Broad Street, New York 4, N. Y. Also available is a memorandum on **Maremont Corp.**

Massey-Ferguson—Report—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a report on the Domestic Oils and International Oils with particular reference to **Champion Oil & Refining Co., Kerr-McGee Oil Industries Inc., Murphy Corp., Ohio Oil, Standard Oil Co., of Indiana** and **Texaco.**

Microwave Associates — Data — Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available are data on **Delaware Power & Light** and **Jones & Laughlin Steel Corp.**

Missile Systems—Report—Shields & Co., 44 Wall Street, New York 5, N. Y.

National Airlines Inc.—Memorandum—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

National Bank of Detroit—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Nord Photocopy & Electronic Corp.—Memorandum — America's Newest Companies, Franklin National Bank Building, Garden City, N. Y.

Oxford Manufacturing Co. — Analysis—Cohen, Simonson & Co., 25 Broad Street, New York 4, N. Y.

Paramount Pictures Corp. — Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin is a review of **Smith-Corona Marchant.**

Pepsi Cola Co. — Survey—Robert W. Baird & Co., 110 East Wisconsin Avenue, Milwaukee 1, Wis. Also available is a survey of **Kingsport Press,** and a list of suggested securities.

Porce-Cote Research & Development Corp.—Analysis—Suburban Investors Corporation, 560 Jerusalem Avenue, Uniondale, N. Y.

Radar Measurements Corp. — Analysis—Blaha & Co. Inc., 29-28 Forty-first Avenue, Long Island City 1, N. Y.

River Brand Rice—Report—Sidney Jacobs Co., 40 Exchange Place, New York 5, N. Y. Also available are reports on **Deltown Foods Inc.** and **Wells Gardner Electronics.**

Robinson Technical Products — Memorandum—Blair & Co. Inc., 20 Broad Street, New York 5, N. Y.

Robinson Technical Products—Report—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Rockwell Standard — Report—Purcell & Co., 50 Broadway, New York 4, N. Y.

Safticraft Corp. — Analysis — George, O'Neill & Co. Inc., 30 Broad Street, New York 4, N. Y.

St. Regis Paper Co.—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Univis Inc.**

San Diego Imperial Corp.—Bulletin—Carreau & Co., 115 Broadway, New York 6, N. Y.

San Francisco Mines of Mexico—Memorandum — Pitman & Co., Milam Building, San Antonio 5, Texas.

SanGamo Electric Co.—Bulletin—Schweickart & Co., 29 Broadway, New York 6, N. Y.

Skil Corp.—Memorandum—Blunt Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill. Also available is a memorandum on **Warner Electric Brake & Clutch Company.**

Stokely Van Camp—Discussion in July Investment Letter—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also in the same issue are discussions of **United Fruit** and **Utah Idaho Sugar.**

Vim Laboratories—Memorandum —J. W. Sparks & Co., 120 Broadway, New York 5, N. Y.

Western Union Telegraph Co.—Analysis—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

Westgate California Corporation—Analysis — Parker Ford & Company, Inc., Vaughn Building, Dallas 1, Texas.

S. S. White Dental Manufacturing Co.—Analysis—Straus, Blosser & McDowell, 39 South La Salle Street, Chicago 3, Ill.

H. Schildberg Opens

DIXON, Ill.—Homer B. Schildberg is conducting a securities business from offices at 1120 Franklin Grove Road under the firm name of Homer B. Schildberg & Company. He was formerly with Robert G. Lewis & Co.

Harry Rovno Opens

BRIDGEPORT, Conn. — Harry Rovno is conducting a securities business from offices at 1407 Norman Street.

Complete Courses In Financing

TORONTO, Canada — Three-hundred-and-thirty-four employees of members of The Investment Dealers' Association of Canada have successfully completed courses in Investment Finance in the past year, the association reports. The students, employed by Investment Dealers from coast to coast, in London, England, Brussels, New York City and Nassau, wrote examinations covering all aspects of the Investment business.

J. R. Crysdale, of Mills, Spence & Co., Ltd., Toronto, was awarded the association's gold medal for top standing in the advanced course, while John Montgomery-Cuninghame, Dominion Securities Corp., Ltd., Toronto, was awarded the silver medal as runner-up. In the introductory course, Miss June D. Watlington, Dominion Securities Corp., Ltd., Toronto, won the silver medal for top standing while F. D. D. Scott, Dominion Securities Corp., Ltd., Toronto, was bronze medallist for second standing.

Chas. Smith V.-P. Of Clark, Dodge

Charles V. Smith, manager of the municipal bond department of Clark, Dodge & Co., Inc., 61 Wall Street, New York City, members of the New York Stock Exchange, has been elected a Vice-President of the firm.

Bacon, Stevenson Admits Coggeshall

Bacon, Stevenson & Co., 39 Broadway, New York City, members of the New York Stock Exchange, have announced the admission of John Coggeshall to general partnership in their firm effective July 5. Mr. Coggeshall was formerly a partner in Coggeshall & Hicks.

Security Associates-Sterling, Grace Inc.

WINTER PARK, Fla. — Security Associates - Sterling, Grace, Inc., has been formed with offices at Park and New England Avenues. Officers are Oliver R. Grace, Chairman; Herman Gade, President; David R. Grace, Executive Vice-President; Clement Cleveland III, J. Dennis Delafield, J. George Frings, Morgan H. Grace, Jr., Gaines Gwathmey, Jr., William R. Hambrecht, Albert W. Lind, and Duncan Sterling, Vice-Presidents; Robert A. Lebo, Vice-President and Treasurer; and Charles McDonell, Secretary.

Inv. Planning of Tenn.

NASHVILLE, Tenn. — Investment Planning Company of Tennessee is engaging in a securities business from offices at 1720 West End Avenue. Ronald E. Fields is a principal of the firm.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The Cleveland Trust Co. of Cleveland, Ohio are on record in their June 25 review of business and financial conditions that: The month of May brought a further revival of business activity. This was reflected in such important indicators as personal income, retail trade, employment, construction, and industrial production.

Total personal income has been moving up since February. In the first quarter consumers stepped up their spending for services and soft goods, but cut back on durable goods. More recently the latter category has shown improvement, notably in automobile sales. For all retail stores combined, sales rose in May following a dip in April. The May figure of $18.1 billion (preliminary) was about the same as March, but was a little above the level of the first four months of 1961 after seasonal adjustment.

Employment climbed from 65.7 million in April to 66.8 million in May. Unemployment declined from 4,962,000 to 4,768,000. The ratio of unemployed to the total labor force, seasonally adjusted, was 6.9%. This was virtually the same as in the last several months, but higher than the 5.1% of a year ago. Average hours worked in factories advanced in May, as did average weekly earnings. The dollar value of new construction increased steadily during the three months ended with May. Construction contracts awarded have been running ahead of last year.

Industrial production, especially in durable goods industries such as steel, has been rising along with manufacturers' new and unfilled orders. The previous upswings in industrial output since World War II were usually vigorous in their early stage, and the same is true of the current rise. The Federal Reserve index of total industrial production for May was 6% above the February low. This was about in line with the first three months of recovery from recession in 1946, 1949, and 1958. The exception was the 1954 recovery, which was slower in getting under way.

Concerning the trend from here on, it is interesting to compare the percentage gains in industrial production during the first 12 months of the earlier postwar upswings. One year after the low month of recession, the production index showed the following increases over the low point: 23% in 1947; 28% in 1950 (including the early Korean War period); 15% in 1955; and 22% in 1959. If the present cycle follows precedent, the next nine months should bring a substantial rise in industrial output.

Bank Clearings for Week Ended July 1 Show a 7.9% Increase Above 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 1, clearings for all cities of the United States for which it is possible to obtain weekly clearings was 7.9% above those of the corresponding week last year. Our preliminary totals stand at $29,781,759,339 against $27,609,865,095 for the same week in 1960. Our comparative summary for the leading money centers during the past week was as follows.

Week End. July 1—	(000s omitted) 1961	1960	%
New York	$16,785,279	$14,788,767	+13.5
Chicago	1,352,542	1,319,675	+ 2.5
Philadelphia	1,198,000	1,201,000	— 0.2
Boston	883,811	918,318	— 3.8

Steel Buying Moving Normally In Spite of Strike Threat

Steel buying plans of the auto industry are largely ignoring the threat of a strike by the United Auto Workers late this summer *The Iron Age* reports. Steel buying plans for July and August are moving along normally, in spite of the Aug. 31 deadline in negotiations with the U.A.W.

The dilemma faced by automakers is this: A strike in September could leave them with over 200,000 unsold 1962 models on their hands, well in advance of introduction dates. Holding the cars and maintaining security through a strike pose the problem. But this possibility is not influencing steel buying decisions at this time.

Most automakers are acting on the theory that there will not be a strike. They concede the strike danger, but say the situation will not clear until late August. So the labor threat is not influencing steel buying in Detroit now.

Purchasing agents in General Motors, Ford, and Chrysler all confirm that contract negotiations are not a factor in summer steel orders. Instead, an orderly cleanup of 1961 models and a good introduction of 1962 models dominates the thinking in Detroit.

In fact, steel inventories, both of steel and new cars, control the buying policies of the automakers.

This is supported by steel sales offices in Detroit, which have not noticed any effects of auto labor negotiations on steel buying. There is no great bulge or hole in August orders.

The Iron Age cites these buying plans of a smaller automotive division as a pattern of automotive steel buying. Tonnage may vary widely, depending on the size of the automaker, but the pattern is representative.

The automaker ordered 2,500 tons of steel for June delivery, 2,400 tons for July, will order 8,000 tons for August and, barring a strike, 8,000 tons for September. The final quarter will average 8,000 tons per month.

Meanwhile, inventory control is unchanged from earlier in the year for most automakers. For example, no General Motors plant is carrying over a 21-day supply of steel. Any buyer who wants to go over this level has to have good reasons. Recently, many plants have been carrying as low as 14 days' inventory because of the coming changeover period.

The generally low level of stocks of auto steel have resulted in frequent requests for emergency orders, sometimes as low as 25 tons for a specific product to round out schedules.

July steel orders by automakers may drop 20% below June. But August looks good and September better. If there is no auto strike, September could be the best month of the year.

What happens in the late months of the year depends on September-October auto sales.

On the over-all steel market, *The Iron Age* adds that late or-

Continued on page 30

Sterling Crisis Bound to Depress British Equities

By Paul Einzig

Author contends that impending major sterling crisis will unquestionably cause a setback to British stock market this summer. Dr. Einzig says that in the absence of vigorous anti-inflationary measures, none of which are presently in sight, the pressure on sterling is bound to be accentuated. He deplores government's abandonment of faith in bank rate to correct economic excesses and contends that aid being rendered by central banks and governments, including the U. S., in support of sterling, constitutes a "grave disservice" to British people.

LONDON, England — Some time ago a well known British author, who is innocent of any knowledge of finance, suggested that nothing could be easier than to make a fortune on the Stock Exchange by playing the market on the assumption that there is bound to be a setback every summer. Unfortunately there can be little doubt that the summer of 1961 will prove no exception to this rule. It seems to be virtually certain that we shall experience yet another of the major sterling crises which have become such a familiar feature of the post-war period.

Up to the time of writing the extent of the pressure appears to have been relatively moderate, mainly because the effect of selling on account of private interests has been neutralized by buying on account of the central banks which have agreed to support sterling. The widening of the discount on forward sterling is, however, a symptom of considerable significance. It has long ceased to be profitable for arbitrageurs to keep funds in sterling with the forward exchange covered, and it is becoming increasingly profitable for holders of sterling to engage in outward interest arbitrage. There are also indications that American and other owners of branch factories in Britain are reverting to the practice of covering their exchange risk by selling forward the sterling equivalent of their British assets.

We are only at the beginning of all these movements. Together with the operation of "leads and lags" in respect of payments for imports and exports they are likely to assume considerable dimensions in the course of the next few months, unless the government succeeds in restoring confidence in sterling.

Government Policies Still in Doubt

The government does not seem to be in a hurry to disclose its exact intentions concerning the measures to be taken in defense of sterling. It is true, the Chancellor of the Exchequer, Mr. Selwyn Lloyd, foreshadowed the likelihood of applying the new devices of surcharges on indirect taxes and a small payroll tax. He did not indicate whether he intends to go to the limit authorized by the finance bill. In any case, those limits are very modest and they cannot be applied before the end of July.

Meanwhile, the only thing that is being done is a review of government expenditure in the hope of finding administrative economies. The possibility of cutting capital expenditure by the government through a postponement of some schemes is also under consideration. The government does not seem to be in any undue haste in proceeding with these matters. Pressure on sterling will have to become accentuated considerably before it is realized that urgent and drastic immediate action is needed.

Mr. Selwyn Lloyd also repeated his exhortations addressed to the trade unions to exercise restraint in their wage demands. He received an answer to his request in no uncertain terms from the President of the Amalgamated Engineering and Shipbuilding Unions who declared that his union, at any rate, intends to disregard this request. This is not surprising, seeing that it has become the officially declared policy not to resort to high bank rate and credit squeeze. Since the trade unions have been reassured that their greed will not be punished by unemployment, they would be more than human if they tried to restrain their greed.

No Faith in Use of Bank Rate

It is understood that even the Bank of England has abandoned its faith in the bank rate as a weapon to curb inflationary booms. Those who think on such lines seem to be unaware that the reason why the conventional devices failed to produce the desired effect last year was that the official policy aimed at preventing it from producing its effect. Owing to the adverse balance of payments, Britain ought to have lost at least £200 million of gold last year instead of gaining gold. And the decline of the gold reserve ought to have been allowed to produce its full material and psychological effect. Had that been done the situation would have righted itself to such an extent by now that we could afford to expand without risk of inflation. Instead, a dangerous overfull employment was allowed to develop, accompanied by a wages spree and a spending spree.

The government's reluctance in dealing with the situation effectively is greatly encouraged by the well-meaning assistance received from Western European central banks and by the United States Treasury. Were it not for the fact that it will be possible to hold sterling with the aid of such assistance in face of any conceivable pressure that might develop this summer, the government would probably take the impending sterling crisis more seriously.

Recalls Advice to Former U. S. Treasury Head

When in 1947 Mr. John Snyder, Secretary of the United States Treasury in the Truman Administration, paid a visit to London I told him that the greatest possible service he could render to Britain would be by declaring that in no circumstances would the United States ever grant Britain financial assistance again in time of peace. In the present situation, too, Britain could and should be left to work out its own salvation. Those governments or central banks which offer assistance render a grave disservice to the British people, even if they oblige the British government by enabling it to avoid facing the facts a little longer.

It would be different if pressure on sterling were purely speculative without any justification for it in the economic situation. Since, however, the adverse balance of payments and the orgy of wage demands amply justify the pressure, any assistance should be made conditional on an undertaking on the part of the British government to adopt the necessary measures to put its house in order.

NAIC to Be Co. Inst.

The Board of Governors of the National Association of Investment Companies has approved a plan to enlarge the scope and purpose of the 2?-year-old association so that it may be more fully representative of the investment company business.

Under the plan, now being submitted to the members for approval, the association would be renamed Investment Company Institute.

The expanded organization, in addition to including management investment companies which now constitute the membership of the NAIC, would also include investment advisers of investment companies and underwriters of investment company shares. The plan, if approved by member companies, will become operative Oct. 1.

In outlining the plan, George K. Whitney, NAIC President, and a trustee of Massachusetts Investors Trust, pointed out that since the Association was established the industry's activities have broadened, and its responsibilities have increased.

Mr. Whitney said the proposal to broaden the scope of the membership of the Association and its activities was made in the context of these changes and their significance to the industry and the public it serves.

Mr. Whitney stated that a separate organization, representing closed-end management investment companies, now in the process of formation, and other allied groups in the investment company field, would also be invited to participate in the Institute as associated organizations.

In this way, he added, all important segments of the management investment company industry may become members of the broadened Investment Company Institute.

The Institute will provide facilities for the collection and dissemination of information about the investment company business. It will also provide a medium through which its members may be informed and represented with respect to Federal and state regulatory developments affecting the investment company industry or any of its segments.

The administrative structure of the association will be generally unchanged by the revision. As at present, the management and administration of association affairs will be vested in a Board of Governors of 21 members, with seven members elected each year for three-year terms.

At least 11 Governors must be officers or trustees of members of the investment company division and all Governors must be officers, partners or trustees of members of the Institute.

Under the plan, three separate divisions will be established to represent various elements of the investment company business; these will be known as (1) The Investment Company Division; (2) The Underwriter Division; and (3) The Investment Adviser Division.

The activities of each of the three divisions will be directed by a divisional committee. The Chairman of each such committee will be a member of the Board of Governors and appointed by the Board which will have supervision and control of the divisional committees.

Mr. Whitney pointed out that the Institute would continue to be a voluntary association with no statutory sanction. As an expanded association, the Institute will be enabled to broaden its useful service to its members and to the public.

The proposed plan represents several months of study and effort by a special committee of NAIC members composed of the following:

Charles H. Schimpff, Chairman, President American Mutual Fund, Inc., Los Angeles; Jos. E. Welch, Wellington Fund, Inc., Philadelphia; Fred E. Brown, Tri - Continental Corp., New York; John R. Haire, Fundamental Investors, Inc., Elizabeth, N. J.; Hardwick Stires, Scudder, Stevens & Clark, Inc., New York; Cornelius Roach, Waddell & Reed, Inc., Kansas City, Mo.; Franklin R. Johnson, The Colonial Fund, Inc., Boston; W. Linton Nelson, Delaware Fund, Inc., Philadelphia; S. Whitney Bradley, Eaton & Howard, Inc., Boston, and Henry J. Simonson, Jr., National Securities Series, New York.

Roth, Gerard Co. New NYSE Firm

An investment and securities research firm, Roth, Gerard & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, was formed on July 1, it has been announced by Alan Roth and Emanuel Gerard, founders and general partners of the new firm.

Mr. Roth, a graduate of Brown University, has previously been associated with Lehman Brothers in the research department. Mr. Gerard, who is also a graduate of Brown University and the Harvard Business School, was formerly affiliated with Wood, Struthers & Co. in the research department.

The new firm will place particular emphasis on securities research, concentrating on firms in the growth field. The company's Investment Advisory Service will handle individual accounts and its research will also be available to institutional investors.

MacGregor Bowling Centers Common Offered

Public offering of 120,000 common shares of MacGregor Bowling Centers, Inc., at $4.625 per share is being made by Rowles, Winston & Co., and Fridley & Frederking, Houston, and associates. Of the total, 100,000 shares are being sold for the account of the company and 20,000 for certain stockholders. Net proceeds, estimated at $388,750, will be used by the company for the repayment of debt and other corporate purposes.

The company of 5309 South Park Blvd., Houston, Tex., operates five bowling centers with a total of 124 lanes. Four of these centers are located in Houston and one is in Tucson, Ariz. Upon completion of this sale, capitalization will consist of $878,188 of debt and 400,000 authorized common shares (par 20c) of which 210,000 will be outstanding.

Form Interstate Capital

WASHINGTON, D. C.—Interstate Capital Corporation is engaging in a securities business from offices in the du Pont Circle Building. Officers are James P. Radigan, Jr., President; Elias J. Eltier, vice-President; A. C. Nipe, Secretary; and D. M. Sloan, Treasurer.

Commercial Banker and the Equipment Leasing Industry

By Joseph Boneparth, President, Equilease Corporation, Subsidiary of Electric Autolite Co.*

In as honest an appraisal of equipment leasing as he can give, Mr. Boneparth predicts a most promising future for this type of financing and for banks discounting lease obligations. The experienced lessor foresees finance and service equipment leasing: (1) ushering in a rental economy rivaling the consumer financing growth in the 1920's; (2) eliminating in five years hence one-third of our durable goods retail businesses as lessors lease durable consumer goods and handle credit; and (3) growing in size and becoming important members of our financial community—replacing instalment finance companies as they are known today. Analysis made of the advantages and disadvantages of leasing concludes positive factors outweigh the negative ones. Described are the various types of leasing companies and some of the misconceptions entertained about this fructificative business industry.

Equipment leasing is more than a topic of passing interest on our economic scene. Its impact has already been felt. Measured in terms of dollars, the impact is now in excess of $1 billion in cost of equipment on lease today. Yet that figure, that impact, is small when measured against even the most conservative estimates of the future. Indeed, with expenditures for new plant and equipment running at an annual rate of around $35 billion, a tenfold increase in equipment on lease within the next few years certainly doesn't appear to be beyond the realm of likelihood.

Joseph Boneparth

Commercial banks owe it to themselves to learn all they can about equipment leasing—to separate fact from fancy—to determine whether equipment leasing should play a part in their portfolio planning, or indeed, whether they can afford to eliminate it from their thinking in the light of the keenly competitive situation in commercial banking today. What then is this new concept? What is equipment leasing?

Defines Equipment Leasing

Equipment leasing is a method employed to gain the possession and use of capital assets. Usually, the economic rather than tax depreciable life of the asset determines the duration of the lease.

While land and buildings have been routinely leased for centuries, leasing of productive business assets in important volume since 1950, such as machine tools, office, automotive, electrical and other similar types of equipment, developed the use of various new terms such as "finance equipment leasing" and "service equipment leasing."

Finance vs. Service Equipment Leasing

Finance equipment leasing, as differentiated from service equipment leasing, eliminates all elements of service to the equipment. The lessee absorbs all service and collateral expenses, such as repair and maintenance, licensing, taxes of any nature and insurance. Under this leasing method, a net rental fee is paid regularly throughout the years of the lease without regard to malfunction or productivity obsolescence. Therefore, this type of net lease contemplates that all costs, expenses, obligations of every kind and nature whatsoever relating to the leased property which may arise or become due during the lease term, whether or not specifically mentioned, are paid by the lessee.

Service equipment leasing contemplates that the lessor assumes all the obligations of repair and maintenance, taxes and so forth during the life of the lease. In most instances, under service leasing the leased equipment is returned to the lessor, while under finance leasing, through options of either purchase or reduced rental, the lessee continues in possession of the leased equipment or trades it in for newer, more modern equipment. Service leasing is, of necessity, more expensive than finance leasing. The user or lessee under finance leasing only pays the leasing company periodic payments which aggregate equals the cost of the equipment plus interest and a leasing service fee during the base term lease. Usually, the renewal rental or sale income after expiration of the base lease term is the principal source of profit to the finance equipment lessor. Under service leasing, the equipment is returned to the lessor and additional profits are generated through the leasing of the same equipment to another lessee and ultimately from the sale of the equipment.

With new plant equipment becoming available after World War II, income producing equipment was acquired by American industry with a cost in excess of $250 billion. This large expansion of new plant capacity was accelerated by the demand of the growing needs of our dynamic economy. Leasing played an ever increasing part in providing a means of acquisition beyond the more conventional methods of depreciation, retained profits, equity and debt financing.

Forecasts Sharp Drop in Durable Goods Retailers

I believe it is entirely within the realm of possibility that by 1965 we may very well see the expiration of one-third of our present durable goods retail businesses. Large leasing companies of a magnitude such as the large finance companies may be important members of our financial community, replacing instalment finance companies as known today. A substantial portion of the used equipment market will therefore be in the hands of professional lessors, and finally more and more durable consumer goods will be leased rather than purchased, with all the inherent benefits and problems of consumer credit assumed by the leasing companies.

There is nothing far fetched about these prognostications. Indeed, they are already on the horizon. Alert instalment finance companies, sensing the trend, are now entering the leasing field on a limited scale, and overseas, although the activity of leasing productive assets to industry is just appearing on the European continent, the leasing of home television sets to the general public is big business in Great Britain today.

Instalment purchasing with its characteristic of use without full ownership could easily be regarded as a transitional phase in the development of a rental economy. Retail bankers and economists well know the impact that instalment buying has made on business in these past decades. Both instalment purchases and rentals permit the enjoyment of use without full ownership. Of these two methods, rentals bear a more immediate relationship to the productive life of the product. Many important national companies such as IBM, American Machine & Foundry, and United States Shoe Machinery would not have attained their present positions without the use of leasing. Certainly, everyone recognizes the effective use the telephone companies put to leasing of equipment to their subscribers rather than requiring ownership.

Compares Growth of Lease-Rental Field to Consumer Financing

While real property still accounts for the greatest leasing market, equipment rental payments account for 22% of all lease and rental payments made annually by American corporations. A rental economy is in the making before our very eyes. Its growth is comparable to that of consumer financing in the 1920s.

In a progressive, growing company, working capital can be more profitably employed as an investment in labor, inventory and receivables than by being tied up in fixed productive assets. A company with idle, unproductive cash is hardly a candidate for leasing since substantial profits through leasing cannot result under these conditions. However, this has not been the history of our economy over the long run. Gross National Product continues to rise, with a good portion of the increase resulting in more goods and services being produced.

To summarize the various past, present and future factors that have and will continue to generate the growth of leasing, we must recognize that in the past, tight money markets, with shortage of credit from established sources have encouraged alternate methods of financing, of which leasing is one.

Smaller firms not having available to them the long term debt and equity markets to finance their operations have found leasing attractive in acquiring productive assets without the dilution of ownership usually re-

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FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

The National Defense Education bill just approved by the House Education and Labor Committee and now before the House Rules Committee is one of the most deceptive pieces of legislation ever proposed to Congress. It purports to be an aid to national defense just as are guns and planes.

In reality it is a bill to placate proponents of Federal aid to private schools. What Congress can't do under the general $2.5 billion aid to education because it conflicts with the Constitution, it hopes to accomplish under this bill.

This bill would provide loans to private schools for the construction of certain classrooms and for the purchase of physical education equipment and gymnasiums for physical fitness programs. The classrooms would be devoted to the teaching of mathematics, science and modern foreign languages. Just how the classrooms could be policed to insure that no other subjects are taught is difficult to understand.

A National Defense Education Act expiring a year from now was passed under Eisenhower. It only gives aid to the purchase of equipment needed in the teaching of national defense subjects.

A bill sponsored by Congressman Carroll D. Kearns of Pennsylvania, seems to give the necessary aid to the private schools and there is no doubt about its constitutionality. It would permit citizens to deduct from their income taxes all tuition and fees paid to private schools. Private schools obviously should be encouraged. If they were abandoned the education load on the public schools would be unbearable.

* * *

The textile industry is in an uproar and more than 200 members of Congress have protested to the President regarding the State Department's plan for distributing low-priced textile imports among other Western nations. They urge abandonment of the plan because they feel that it commits the United States to an unreasonable high level of low-priced imports in the future.

President Kennedy denies that there is such a plan as yet but he indicates it is coming up and he favors it.

A conference is to be held in Geneva late next month attended by 25 nations, at which a voluntary system of expanding quotas is to be devised by the nations that buy and sell cotton textiles. The underdeveloped nations will be asked to exercise "restraint" in pouring their low priced goods abroad. The industrialized nations in return would open their markets increasingly to foreign cloth. All quotas must be mutually acceptable to buyer and seller.

Within these principles the State Department hopes to work out a network of precise bilateral agreements to allocate the world's trade in cotton textiles.

The department has suggested that nations sending cotton goods to this country impose an themselves quotas initially equal to their present sales here, with a certain percent cutback for Hong Kong and perhaps some increase for Japan. These quotas would then expand, but not so fast as our domestic markets, leaving some expectations of growth for our own mills. At the same time the other industrialized countries would agree to take quotas of cotton goods from the underdeveloped countries.

President Kennedy at his recent press conference indicated he was somewhat provoked at the attitude of the domestic textile industry. He said our exports of cotton greatly exceeded imports of cotton goods and that a balance had to be maintained.

Caterpillar Tractor Co. Debs. Offered

A nationwide underwriting group headed by Blyth & Co., Inc., is offering for public sale a new issue of $50,00,000 Caterpillar Tractor Co. 4⅝% sinking fund debentures due 1986. The debentures are priced at 99½% and accrued interest to yield approximately 4.66% to maturity.

A sinking fund, commencing in 1967, provides for payments sufficient to redeem at the sinking fund redemption price, $2,500,000 principal amount of debentures annually. The sinking fund is calculated to retire 95% of the issue prior to maturity. The company, at its option, may make additional annual sinking fund payments not exceeding $2,500,000. The sinking fund redemption price is 100.

Optional redemption prices range from 104½% to the principal amount.

The debentures are not redeemable prior to June 15, 1971 for refunding purposes by money borrowed at an interest cost to the company of less than 4⅝%.

The proceeds from the sale will be used to repay short-term bank debt incurred to finance capital expenditures and increased inventories and receivables. The short-term debt is estimated to amount to $51,000,000 at July 12, 1961.

Caterpillar Tractor, incorporated in 1925, is the largest manufacturer of earth moving machinery and equipment, and a major manufacturer of diesel engines. Manufacturing activities are carried on at nine plants in the United States, three in the United Kingdom and one each in Australia, Brazil and France.

Company sales in 1960 amounted to $716,038,000 compared with $742,337,000 in 1959. Profit for the year was $42,580,000 compared with $46,518,000 for 1959.

Capitalization of the company and its consolidated subsidiaries as of April 30, 1961 and as adjusted for the sale of the new debentures shows total funded debt of $150,000,000, short-term debt of subsidiaries $19,992,000, 178,595 shares of preferred stock of $100 par and 27,190,410 shares of common stock of no par value.

Taking a New Look at Business Cycle Policies

By Henry C. Wallich,* *Professor of Economics, Yale University, New Haven, Conn.*

A look into what we are and should be doing to temper the business cycle endorses the promising idea, but not the rigid mathematical application with which it has been proposed, of counter-cyclical income tax changes. Prof. Wallich, also hopes we can extend the tax technique to moderate extreme inventory fluctuations and to supplement monetary stabilization of business investment. Turning to the international scene, the economist doubts an international central bank would be a wise move but does suggest what should be done.

Since the war, the American economy has done on the whole a good job in maintaining stability. The record is not perfect, but in comparison with peace periods it is quite gratifying. Several factors have contributed to this. First, there is the inherently greater stability of the economy today as contrasted with, for instance, the 1920's. A higher proportion of the labor force today has stable jobs — white collar, technical, service jobs. Production workers, particularly in the highly cyclical durable goods industries, have been diminishing as a proportion of the labor force, and in fact absolutely. Meanwhile, the banking system has become less vulnerable. A good part of our mortgage debt is government insured and guaranteed, and most of the remainder is on an amortization basis. While some potential trouble spots that we all know about have been building up, the economy as a whole looks more solid than it was during the '20s.

Henry C. Wallich

Next, we have been helped by the "automatic stabilizers." When a recession starts, men losing their jobs draw unemployment compensation. Taxpayers whose income shrinks, including corporations, pay lower taxes. This too has added substantially to stability.

Finally, we have at our disposal a whole array of discretionary policies with which to combat the business cycle. The instrument most actively used has been monetary policy. Fiscal policy, i. e., the creation of a budget surplus or deficit, has been used much less actively. Potentially, it is a more powerful tool than monetary policy, but it has proved rather inflexible in application.

Improvements in Fiscal Policy

The next breakthrough in the development of stabilization policy will come I believe, in the direction of more flexible fiscal policy. The most promising device appears to me a mandate to the President allowing him to raise or lower personal income tax rates temporarily. Changes in tax rates clearly seem preferable to changes in public expenditures. The latter, except for a relatively modest range, cannot be quickly changed without great waste. Discretionary action by the Administration to put the tax change into effect also strikes me as preferable to some automatic formula device. If a tax cut were to take effect, for instance, when unemployment reached 7%, as sometimes has been suggested, we would be exposed to all kinds of statistical and economic accidents. I would prefer to rely on judgment rather than a formula, even though recognizing that politics may sometimes becloud this judgment.

Tax changes of this kind should be temporary. They should not lead to continuing gain or loss of revenues. One might even consider the possibility of a total suspension of withholding for a month or two, with a corresponding adjustment for taxpayers paying quarterly. That would have the quickest effect and offer complete assurance that the cut was temporary.

Finally, there should be no effort to aim the action at consumption (the lower brackets) or investment (the upper brackets) primarily, because we do not know in advance, and often not even at the time, which of the two would best respond to stimulation. The tax change should be across the board, the same percentage for everybody. That strikes me as fairer than an identical dollar cut or increase for everybody, as has sometimes been proposed.

A device of this kind will not be worked out without a great

deal of political discussion. Congress will be reluctant to surrender to the executive even this very limited power over tax rates. A veto power for the Congress, or for a Congressional committee when the Congress is not in session, would in any case be desirable. A mechanism of this general order has received sufficient discussion by now to have a realistic chance for enactment within the next few years.

Inventory Stabilization

Looking farther into the future I dimly see the prospect that something might be done to avoid extremes of inventory fluctuations. These fluctuations are only occasionally the primary cause of a recession. They almost invariably, however, aggravate a recession or intensify a boom, once either has started. At times inventory fluctuations have been the largest single element in a cycle. For instance, during the first quarter of 1958 non-farm inventories declined at an annual rate of $8 billion. Only 15 months later, in the second quarter of 1959, they were expanding at a rate of $11 billion, a turn-about of $19 billion. Nine months later, in the fourth quarter of 1960, they were declining at a $3 billion rate.

Monetary policy can help of course to reduce inventory fluctuations. Credit restraint may reduce inventory purchases, credit ease may encourage them. But whatever these effects may have been in the past, they evidently have been inadequate to reduce inventory fluctuations below the level actually experienced. Monetary policy is not sufficiently powerful, though without it we would certainly be much worse off.

The possibility of applying selective credit policies to inventories has been discussed. I doubt that it would be practicable to apply to inventories something patterned after regulation W or regulation X. Business credit is too unspecific to be tied to financing of particular inventories.

The tax system might offer an alternative means of stabilizing inventories. The corporate tax might be cut, for instance, for those corporations that pursue stable inventory policy. We have a precedent for this in the merit rating system which determines employer's liabilities under the unemployment tax. The smaller the declines in an employer's labor force, the less tax he pays. In applying this principle to inventories, allowance might have to be made for the different cyclical characteristics of particular industries. Nondurable goods industries are naturally stabler than durable goods industries. The tax benefit should therefore be based, not on absolute stability of inventories, but on performance relative to an industry standard.

Considerable difficulties would have to be overcome in making such a tax cut equitable as among growing businesses and contracting businesses, businesses with large inventories and with small inventories, and whatever other infinite variety the American business system offers. A great deal of thought and discussion would have to go forward before these ideas would even deserve to be called a proposal. I believe however that this would be a fruitful field, because the economic payoff might be considerable.

Business Investment Stabilization

Business investment frequently has been a major cause of business fluctuations. Its stabilization therefore would pay big dividends in terms of stability. Monetary policy in the past has helped to stabilize business investment, but obviously without decisive success. Here, too, the approach via to the tax system may prove a feasible supplement. Several countries, including, I believe, the United Kingdom, Germany, Sweden and Canada, have employed changes in depreciation allowances as a means of stimulating or restraining business investment. Once we get our present problems in the area of accelerated depreciation straightened out, the next step might be to look into the use of these devices for business cycle stabilization.

The International Sphere

Now that major currencies are convertible, nations have found that they can no longer pursue completely independent business cycle policies. When the German Bundes bank raised interest rates to dampen the great German boom, it discovered that German businessmen borrowed abroad and nullified the restraint. When the Federal Reserve pushed down short term rates last year to counteract the recession, a heavy outflow of funds began to England, Germany, Switzerland and other countries where yields were higher. This not only impeded Federal Reserve action, but it also created concern about the dollar. It has become evident that business cycle policies today must take into account international factors. In the United States, they must especially take into account the vulnerability of the dollar, which has been greatly increased by the large balance of payments deficit of the last few years.

To retain some degree of freedom to maneuver, and at the same time to safeguard the dollar, two seperate actions are necessary. First, we must balance our international accounts. No currency can stand continuous balance of payments deficits of the kind we have experienced. It would be a great delusion to think that some kind of international currency plan could help us out of this difficulty. But in addition to balancing our balance of payments, some improvement in the international currency mechanism is also required. This second step raises a number of puzzling issues. We have heard proposals for an international central bank, something like an international Federal Reserve. We have also heard proposals for a great increase in the stand-by facilities available to the International Monetary Fund. In addition, more or less informal arrangements among central banks have been proposed. Something of the latter kind has already been implemented in Europe in order to strengthen sterling against the speculation caused by the revaluation of the German Mark.

Critisizes—International Central Bank Idea

At some future time, the world may well move to establish an international central bank. Financial systems historically have always sought a lender of last resort, and the world financial system probably will be no exception, if there is a normal evolution. But today the necessary conditions of cooperation and discipline do not yet exist. Without them an international central bank would be a dead institution. The proposals that have been made for such a bank, moreover, strike me as being unnecessarily burdensome for the United States. They would in the first place deprive the United States of its present facilities of financing a balance of payments deficit by simply paying dollars to other countries. Under the central bank proposal, foreign official dollar balances would be transferred to the IMF, and foreign countries could no longer hold dollars as part of their reserves. In the second place, the proposal would require the United States to extend a dollar guarantee to its existing international dollar liabilities. This results automatically from their transfer to the IMF, since under its constitution all the Fund's holdings of currency enjoy a gold guarantee. If the United States were to extend such a gold guarantee to foreign holders of dollars, which I would regard as a dubious procedure, it should at least enjoy some benefits from this momentous step, in the form of more generous rather than reduced international credit facilities.

For the immediate future therefore a less ambitious approach seems preferable. Whether this should take the form of an expanded International Monetary Fund, or of arrangements among central banks, seems to be less a matter of principle than of what can be negotiated. If the proposal to expand the stand-by resources of the IMF runs into difficulties in Europe, as appears to be the case at present, the central bank route or some similar arrangement among the major countries may be more promising. Progress on this front is essential. We are now operating with an international monetary system that clearly falls short of adequate security. Its breakdown would have incalculable consequences for international and domestic economic stability, to say nothing of the political consequences. Whether this risk is assessed as high or low, it clearly exists. We must move to eliminate it. This is a necessary part of any cyclical stabilization program.

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*An address by Prof. Wallich before the 45th annual meeting, 4th Economic Conference of the National Industrial Conference Board, New York City.

Wm. A. Lee Joins Andresen Co.

Wililam A. Lee will be admitted as a general partner in the firm of Andresen & Co., 30 Broad St., New York City, members of the New York Stock Exchange and associate members of the American Stock Exchange, effective July 1, it has been announced. Mr. Lee will direct the firm's trading department activities.

A member of the Corporate Bond Traders Club, Mr. Lee had previously been with Weeden & Co., Incorporated, as vice-president in charge of their trading department.

Business Outlook in Japan And Elsewhere in Far East

By Reed J Irvine, Chief, Far Eastern Section, Division of International Finance Board of Governors of the Federal Reserve System, Washington, D. C.*

Far East financial expert recapitulates Japan's phenomenal postwar performance which confounded its pessimistic critics and stresses that country's ambitious goals and prospects. The encouraging appraisal does not minimize factors of concern; notes that the introduction of the security yen system paves the way for ADR's; and attributes success in borrowing large sums of private money to regard held in its financial stability and ability to meet international liabilities. The writer also examines the pace of economic progress in South and Southeast Asia and hopes India will endeavor to sustain a better export position.

Over the past decade economic analyses of the Japanese position have often been characterized by what I would like to call "reverse-Micawberism"—that is, the conviction that something bad will turn up. This attitude has arisen in part from the feeling that Japan's economic performance was just too good to be true and that the only sensible thing to do was to demonstrate that it couldn't last.

Reed J. Irvine

I learned long ago how dangerous it was to pursue this line of analysis with respect to Japan. The pessimistic prognostications have been proved wrong year after year, as Japan has gone on adding miracle to miracle. Let us bear in mind that this is a country that has succeeded in doubling its exports and more than doubling its industrial production between 1955 and 1960. One assessment of the Japanese situation prepared in 1955 held that it would be extremely unlikely that Japan would be able to double its exports in even 10 years and that this could only be done if the Japanese could develop new export markets in the underdeveloped countries. Further significant expansion of trade with the U. S. and Western Europe was not to be expected. Since the outlook for trade expansion was not particularly hopeful, it was thought that Japan might very well become heavily dependent on external aid and invoke tighter exchange and import controls.

It is well to keep this bleak forecast in mind as we consider Japan's position today. As I have already noted, Japanese exports last year were double the 1955 level, exceeding $4 billion. The largest gains were made in precisely those markets—the U. S. and Europe—which the forecasters thought to be the least promising five or six years ago. Sales to both the U. S. and Western Europe have risen about 140% over the past five years, and the increase in sales to Europe has come in spite of the fact that the European countries have persistently denied Japan most-favored-nation treatment.

Japan has not found it necessary to tighten up exchange and import controls. On the contrary, she is in the process of liberalizing her restrictions. Approximately 62% of commodity imports are now free of quota restrictions, and this will rise to 65% in July when additional commodities are scheduled to be liberalized. This is still a low percentage compared with other industrialized countries, but progress is being made. As recently as a year and a half ago only about a third of Japan's imports had been liberalized. Japan is under considerable pressure to speed up liberalization, and I believe that rapid progress can be expected. It is now quite generally agreed that Japan has no valid balance-of-payments justification for the maintenance of restrictions. The Japanese themselves have been somewhat slow in recognizing this, largely, I think, because of "reverse Micawberism." With confidence in the future taking a stronger hold, there is less inclination to cling to the old restrictive mechanism.

Needs No Aid

No one would think of Japan as being a likely candidate for foreign aid today. Japan, in fact, prefers to think of herself as among the aid-giving countries, and she has extended credits to the underdeveloped countries and is paying out fairly substantial amounts to a few countries in the form of reparations. However, Japan is still very much a debtor country and is borrowing heavily in the capital makets of the West. Short-term liabilities alone now total about $1.4 billion. Most of this represents borowing in the New York market to finance Japanese trade. However, since July 1960 when the government began to permit non-residents to hold convertible yen deposits in Japan, over $200 million has been attracted to such accounts to take advantage of the higher interest rates available in Japan. About half of these funds have been channeled through Japanese branch banks in Europe, which have been redepositing the funds with their head offices in Tokyo. The government has also taken action to make direct and portfolio investment in Japan more attractive to foreigners. Prior to June 1960 six years was required to fully repatriate an investment in Japan. It is now possible to completely repatriate an investment at any time through the security yen market, which was inaugurated on May 1. This, of course, may give the person repatriating his investment a rate somewhat less favorable than the official rate of exchange. However, validated investments may now be repatriated at the official rate after a waiting period of only two years. The adoption of the security yen system should clear the way for the introduction of the American Depositary Receipts system[1], which is designed to facilitate the trading of selected Japanese stocks in this country.

Japan has been a fairly heavy borrower from the World Bank and now owes that institution $362 million. Both the Japanese government and private corporations have begun to borrow in the New York market. Loans totaling nearly $90 million have been placed in the last two years. Of this total $40 million has been borrowed by Japanese steel companies, which have paid 7 and 7½% for credits maturing in 14 to 15 years. Even at these high rates borrowing in this country has been attractive to the Japanese firms since the interest cost on seven-year bonds issued by a top-ranking company in Japan amounts to over 9% per annum.

Japan's success in borrowing large sums of money in private money markets abroad indicates that there are ways for developing countries to get foreign assistance other than through the medium of government-to-government grants and credits. The prerequisite, of course, is confidence in the ability of the country to maintain a reasonable degree of financial stability and in its ability to develop along lines that will augment its ability to meet its international liabilities. Japan has succeeded on both counts, and has, moreover, grown at an exceedingly rapid rate.

Factors Causing Some Concern

Though I am wary of pessimistic views of Japan's future, I don't think we should assume that Japan has solved the problem of the business cycle. The cycle has been in a strong boom phase since mid-1958. The industrial production index, seasonablly adjusted, rose 85% in the 33 months from June 1958 through March of this year. The previous boom of 1954-57 saw the index rise by only 68% over a 33-month period. The latest boom has therefore been even stronger than the earlier one which produced the phrase "Jimmu Keiki" — the greatest prosperity since the time of the Emperor Jimmu. It is still to be seen whether it will be more sustained. We are now in the testing period. The boom seemed to be losing steam for a few months. Industrial activity rose only a little more than 1% between November 1960 and February of this year, but preliminary seasonally adjusted figures for March show a whopping 4% increase over February.

The first-quarter increase in industrial production was at an annual rate of 20%. One may be pardoned for wondering how much longer this hectic pace can be sustained.

There is no evidence right now that domestic demand is likely to be a limiting factor, but we have seen some evidence in recent months that foreign demand for Japanese goods may not keep up with output. Exports, seasonally adjusted, declined from an annual rate of $4.2 billion in the third quarter of 1960 to a rate of $4.1 billion in the first quarter of this year. In April they recovered to an annual rate of $4.4 billion, and while this could mark the beginning of a new upward surge, all we can say at the moment is that the trend of exports has been down a little for the past six months. The trade deficit for the first four months of this year, at a seasonally adjusted annual rate, exceeded $1 billion. Half to two-thirds of this may be covered by other net earnings on current account and donations, and the balance has been more than covered by capital inflow. Japan's foreign exchange reserves rose by more than $200 million from December through April. Nevertheless, Japan will encounter balance-of-payments troubles if output continues its rapid rise, sucking in a larger volume of imports, and if exports fail to keep pace.

Another factor that is causing concern and which may operate to curb the boom is the price trend. Wholesale prices have been creeping up since June 1960, when they were less than 1% above the 1953 average. In April they were nearly 5% above the 1953 average. The increase was especially sharp in March and April. The cost-of-living index rose more sharply than wholesale prices in 1960, reportedly because of the rising cost of services caused by a growing shortage of labor. The attraction of workers to the better paying jobs in manufacturing is reported to be having a noticeable impact on the level of wages in the service sector. The price increases no doubt reflect a growing tightness in the economy, which may impinge upon efforts to expand output and exports. So far, however, export prices, which are available only through February, have been remarkably stable.

The latest Japanese official projections call for a doubling of gross national product and a 130% rise in exports by 1970. Looking at past performance, one would be rash to call these ambitious goals impossible. However, it would be equally rash to assume that there are not going to be periods of recession as well as boom over the coming decade.

Since the Asian countries other than Japan are all distinguished by the fact that they are more agricultural rather than industrial, there is some temptation to lump them together and speak of the outlook in the primary producing countries. However, the development of industry in several of these countries merits attention.

Turns to South and Southeast Asia

The countries of South and Southeast Asia have been pressing forward toward industrialization with varying degrees of success. Manufacturing and construction generate from 10% to a quarter of the gross domestic product of those countries, with the highest degree of industrialization in Hong Kong, Taiwan, the Philippines, Thailand and India. Hong Kong has undergone the most remarkable transformation in recent years in terms of industrial development. Factory employment in Hong Kong has risen 130% since 1953, exceeding even the rate of expansion in Japan by a wide margin. In 1960, exports of goods produced in Hong Kong totaled U. S. $500 million, or about $165 per capita. This is evidence that Hong Kong industry is highly competitive as well as fast-growing. American firms have recently been showing greater interest in the potentialilties of investment in Hong Kong, but our direct investments there are still very small.

Taiwan and the Philippines have had a very rapid industrial expansion. Of the two, Taiwan appears to have had more success in exporting manufactured goods. The Philippine policy toward industrialization has been largely directed toward replacing imports with goods of domestic manufacture, and despite a rapid rise in industrial output the country still depends on four agricultural and forestry products for three-quarters of its export earnings. This is only slightly less than the ratio that prevailed in 1955. Taiwan, on the other hand, last year derived only a little over half of its export earnings from the four agricultural exports that had provided four-fifths of its earnings in 1955. About a quarter of Taiwan's exports in 1960 were manufactured goods, with textiles accounting for the largest share. This development of new export potential is very important for Taiwan in view of the possibility that rice exports, which until last year were Taiwan's second largest foreign exchange earner, may be sharply reduced in the future.

India's Slower Pace

The official statistics indicate that the expansion of industrial production in India has been considerably slower than in the other Asian countries which publish indexes. For example, with 1953 as 100, Japanese production last year exceeded 250, Taiwan's exceeded 200 in the third quarter, while the

1 $3,500,000 SONY Corp. stock offering was made in the form of 200,000 ADR's with each ADR representing 10 shares of common stock.—Ed. Note.

Indian third quarter figure was only 158. The Indian index is believed to understate the true rate of industrial growth, since it probably does not give adequate weight to the new industries that have developed since 1951. However, Indian expansion definitely lagged in 1957-58 as the result of slow demand for Indian cotton textiles and jute, together with shortages of needed supplies that resulted from the import restrictions imposed to curb the drain on foreign exchange. There was a sharp pick-up in 1959 and 1960, in spite of continuing raw material shortages. Inventories of raw cotton and jute were drawn down to very low levels.

India has had little success in expanding exports in proportion to her industrial growth, while imports have expanded at an even more rapid rate than industrial output. This has resulted in a widening trade deficit. Export earnings in 1960 could pay for only two-thirds of India's imports. The balance had to be financed by small net earnings on invisibles, gifts and loans, and a drawdown of foreign exchange reserves. India's reserves are now down to below around $700 million, and the government does not think they can safely be allowed to go much lower. The third five-year plan, which began the first of April, will tend to greatly expand import demand, while only modest export expansion is projected. The plan calls for balance-of-payments deficits averaging $1,350 million a year, which is roughly double the deficits in 1958 and 1959.[2] The realization of the plan targets will therefore depend heavily on the amount of foreign assistance that can be obtained. India's growth, in contrast with that of Japan, Hong Kong and Taiwan, has not been export-oriented and has therefore not as yet demonstrated its self-sustainability. There is a growing awareness in Indian official circles of the importance of emphasizing exports. There is evidence of export recovery in the last quarter of 1960. If this can be sustained the Indian prospects will be considerably brightened.

2 Average of $725. These were years when reserves were not heavily drawn upon.

*An address by Mr. Irvine before the National Industrial Conference Board, New York City, May 26, 1961.

My Investment Philosophy

By Roger W. Babson

Discarding a life long principle, Mr. Babson has decided to reply to many inquirers through his column as to how he invests his own money. Singled out are two companies to illustrate what he looks for in making an investment.

I have had so many inquiries during the past two years asking how I invest my own money, I have finally decided to disclose this information in this weekly release. Frankly, I try to invest in something which is doing much good, so that I will have a satisfaction in my heart as well as in my pocketbook. I am today describing two companies by way of illustration — the products of which especially appeal to me.

Gibson Greeting Cards, Inc.

This is one of the four leading companies which print greeting cards. Its headquarters are in Cincinnati, Ohio. All of these companies started in a small way. When I was a boy, there were no such things as greeting cards. We had terrible comic valentines which we sent out to friends and enemies; but I do not remember sending a Christmas card, or Easter card, or birthday card. As soon as this greeting card industry was started I felt that it had a future, and I believe it has an even greater future in years to come. The one thing that we all are short of is time. Greeting cards not only retain our circle of friends, but the sending of them takes no time and yet often takes the place of a letter. They surely make millions of people happier.

The above company in which I have invested has the following to commend it. If you divide the number of greeting cards which this one company sells annually by the number of stockholders in the company, you get a result of nearly 100,000. I have always received a dividend on this stock; but, if it missed a dividend some year, I would still feel that my stockholdings (representing my share as one of the stockholders) are making 100,000 people happy each year. This is one illustration. But now to a second, which is even more marvelous.

Asgrow Seed Company

Although there are several seed companies in the United States, I think this one is the largest of all. Not only are seeds very essential to a nation—whether it is a democracy, or one ruled by communism, or whether it is an underdeveloped nation with increasing population and a shortage of food, good seed is probably the greatest need. Furthermore, few people understand that unless the seeds are carefully selected each year from the healthiest plants, the quality of the seeds quickly runs out and the vegetables ultimately return to their native wild state. Furthermore, a purchaser of seeds cannot tell whether they are good or bad until after they are planted, which is too late. It is absolutely important, therefore, to deal with companies of the highest reputation.

As an illustration of the seed volume of this company, I understand they sell 10 billion bean seeds, 7 billion of corn, and many billions of pea seed. Figures for the small seeds, such as cabbage, broccoli, and celery, are also stupendous. To illustrate—this company sells nearly 70 billion carrot seeds each year. The company spends so much money on selection and keeping up the character of its product that it does not pay great dividends; but if I did not get the money in cash dividends I would get the satisfaction of knowing that the number of seeds raised and sold, divided by the number of stockers—of which I am one — would give about one-half billion seeds per stockholder. All these seeds sold add up annually to some 250 billion seeds. In other words, I have the great satisfaction of knowing that, as an average stockholder, I have the honor of planting half a billion seeds each year! I really get a great kick out of this.

Seeds and Greeting Cards in Russia

When I was in Moscow, I found the best - treated people were scientists and ballet dancers. On the other hand, the two businesses which were allowed to continue as manufacturers under government supervision were the seed business and the greeting card concerns. This is because the raising of seeds depends absolutely upon the character of those in it, while the preparing of greeting cards requires an artistic originality which cannot be purchased with money or forced upon people. It must be voluntary.

With California Inv.

LOS ANGELES, Calif.—E. Harry Fierman has been added to the staff of California Investors, 2932 Wilshire Boulevard.

See Broadened Buying Interest In Japan Internal Bonds

Tsunao Okumura, Chairman of the Board, Nomura Securities Co., Ltd., views the Japanese Ministry's of Finance ruling June 27 to permit non - resident foreign investments in long - term Government bonds, municipal, public-corporation bonds and some private long-term bank bonds, as "still another giant step towards the complete liberalization of Japan's overseas capital transactions."

In a cable to New York, he said the new revision, which now allows a foreigner the privilege of investing in Japanese Government internal bonds, as well as some other selected bank bonds, "will stimulate and broaden the exchange of capital between the United States and Japan."

Prior to this revision foreigners were unable to invest in Japanese government bonds and other selected bonds which tended to hamper broadened investor interest. This, respite the fact that these bonds have been recognized as the safest and most lucrative investment medium in Japan, he said.

"The yield in Japanese government bonds is one of the highest in the world—7% or over annually, paid semi-annually, with 7 years maturity," Mr. Okumura pointed out, adding that investment can now be made in dollars, sterling pounds or other foreign currencies in addition to Japanese yen.

Mr. Okumura explained that the secondary (bond) market had been relatively small and inactive after World War II.

Investment firms, such as Nomura, found it difficult to float government bonds to the public, "because of high money rates and tax competitive and exceptionally active stock market," Mr. Okumura said.

In order to offset this apathetic interest in these securities a Bond Investment Trust was initiated in January of this year, the Nomura executive said.

This stimulated considerable interest in the sale of these bonds with the resultant volume rising sharply within a few months—$34,460,000 at the end of May, 1961 from a level of $28,550,000,-000 in December of 1960, Mr. Okumura said.

In order to invest in Japanese Government bonds — long - term bonds, short-term notes, municipal bonds and government guaranteed public corporation bonds including national railroad bonds, Nippon Telephone & Telegraph bonds, public housing bonds and certain private bank bonds such as commercial and industrial financing agency bonds and agriculture and forestry financing agency bonds—one can withdraw yen for investment from a transferable non-resident deposit yen account which one can own as a non-resident of Japan. Deposit yen also can be purchased and are transferable from other non-residents. If sold (at a slight discount in the official rate of exchange), it is possible to receive immediately foreign currency derived from the sales of transferable yen.

Regardless of the method of investment, interest delivered by these bonds may be freely repatriated in the currency involved in the transaction.

The following regulations on repatriation of principle must be observed: (1) when foreign currency is used for investment, repatriation is possible only after the purchased bond has been held for two years or more, after which time it may be sold. One may also buy a bond of more than two years maturity and hold it until maturity. However, in the case of government notes and one year discount financing agency debentures, these bonds having a period of maturity of one year or less, only when a new issue is subscribed and held to its maturity may principal be repatriated in foreign currency; (2) when a non-resident deposit yen account is used, repatriation in foreign currency is permitted only when bonds having periods of maturity of two years or more are purchased and held until maturity. In other cases, repatriated principal or proceeds received from sales of bonds must be deposited in a non-resident deposit account.

Nomura Securities Co., Ltd. maintains its headquarters in Tokyo, Japan. Over 100 branch offices are located in Japan, Honolulu and New York.

Form Seymour, Bernard

BROOKLYN, N. Y. — Seymour, Bernard & Co., Inc. has been formed with offices at 80 Avenue P c/o Seymour Zwickler, to engage in a securities business. Officers are Seymour Zwickler, President and Treasurer, and Bernard Deutsch, Vice-President and Secretary.

BANK AND INSURANCE STOCKS

This Week — Bank Stocks

SOUTHEASTERN BANKS

The North Carolina National, the Riggs National and the Wachovia Bank and Trust Co. are in the fifth Federal Reserve District (Richmond). This district had a rate of deposit growth in the past decade which was exceeded by only three other Federal Reserve Districts. The Fifth District is expected to continue its favorable deposit growth over this present decade.

The Riggs National Bank is the pre-eminent bank in Washington, but operates only in the District of Columbia. Although the earnings record has been favorable, the geographical confinement might mean some slowdown in the growth rate.

The larger of the two North Carolina banks, used in this study, is the Wachovia (deposits of $680 million). This institution has aggressively branched throughout North Carolina, where state-wide branching is permitted. There are now approximately 70 offices with representation in all major areas. The rate of earnings growth has not been as impressive as its competitor but the bulk of branching is now over and earnings growth should be more favorable. Although the capital position is not as strong as North Carolina National's, the low dividend payout permits a build-up of the "capital to deposit ratio" to the "normal" 9 or 10%. Over the long run dividend increases should be favorable, as few banks enjoy as low a payout.

Recent developments include an international division which will benefit from the development of port facilities in Wilmington.

The North Carolina National (deposits of $461 million) represents the merger of three small banks in 1960. The combined earnings record of these institutions is impressive; however, the present bank has to extend into areas of the state where they are not represented in order to benfit from retail banking. This may impede earnings growth. With the high payout it does not seem likely that dividend performance will be good over the immediate future.

The four remaining banks are located in the Sixth Federal Reserve District (Atlanta). This district had the greatest deposit growth of any district in the 1950s. It is expected that this should also continue through the present decade. The four banks represent the largest banking institutions in Georgia, Florida and Alabama.

	Price	1960 Earnings	P/E Ratio	Div.	Yield	% Payout
Citizens and Southern National Bank (Savannah)	$61	$3.35	18.2	$1.80	2.95%	47.8
First National (Atlanta)	58	2.97	19.5	1.60	2.76	53.9
First National (Birmingham)	52	3.84	13.5	1.40	2.69	36.5
First National (Miami)	64½	3.41	18.9	1.60	2.48	46.9
North Carolina National (Charlotte, N. C.)	34½	2.02	17.1	1.00	2.90	49.5
Riggs National (Washington, D.C.)	156	11.17	14.0	4.50	2.88	40.3
Wachovia Bank and Trust Co. (Winston-Salem)	28	1.55	18.1	.50	1.79	32.3

	% Inc. Earn. Per Share 3/31/61 Over 3/31/60	% Inc. Earn. Per Share 1960 Over 1959	% Inc. Earn. Per Share 1956-60	Capital Account % of Deposits 1960
Citizens and Southern National Bank (Savannah)	—1.2	21.8	12.8	10.0
1st Natl. (Atlanta)	—2.7	16.5	31.5	9.6
1st Natl. (Birm'gham)	*	10.5	40.6	8.0
1st Natl. (Miami)	*	16.0	35.3	7.3
No. Carolina National (Charlotte)	*	9.2	51.9	9.0
Riggs National (Washington, D. C.)	*	17.7	52.0	7.3
Wachovia Bk. & Trust Co. (Winston-Salem)	—4.8	1.3	21.1	7.7

*Not reported.

Generally, state-wide banking exists in Georgia, The Citizens and Southern National Bank (deposits $622 million, including affiliates) has offices in the major cities (Atlanta and Savannah) and several of the smaller cities. Further representation occurs through the Citizens and Southern Holding Company, the stock of which is held for the benefit of the stockholders of the bank. The bank and holding company have 32 offices. At present another bank (Bank of Florence) is being merged.

Here again the longer-term earnings growth has not been as impressive as its chief competitor but its branching occurred earlier and its position may be stronger for this reason. In both banks dividend payout is substantial, consequently dividends should grow no faster than earnings. Capital positions are relatively strong. The First National of Atlanta (deposits $499 million) may have to undergo expansion to benefit from retail banking outside of the Atlanta area.

Florida prohibits any branching but attempts have been made to circumvent this law. It appears that with the growth and anticipated growth of the Miami area the First National Bank of Miami should not fail to enjoy substantial increases in earnings. As yet this has not reflected itself as fully as possible in per share earnings due to dilution through stock offerings. Certainly any legislation ameliorating the branching situation could well make the First National (deposits $340 million) an unusual growth bank.

Alabama law permits only limited branching. The largest bank in the state is the First National of Birmingham (deposits $377 million). The economic complex of the state is made up of heavy industry and agriculture. Although the bank's record has been impressive, earnings may tend to be somewhat cyclical.

The area under discussion continues to experience economic growth, and all of the banks have benefited from this. In the case of some of these banks future growth depends upon favorable legislation which will allow further branching and also management's performance measured by its willingness to take advantage of changes in legislation.

Ruth Outdoor Advertising Class A Sold

Lewis & Stoehr, Inc., is making the initial public sale of 80,000 class A shares of Ruth Outdoor Advertising Co., Inc. at $3 per share. The securities are being offered as a speculation.

Net proceeds from the financing will be used by the company to cancel a promissory note executed as part of the purchase price of the predecessor company, and to expand facilities for the production of electric plastic signs and Neon signs. The balance of the proceeds will be applied to the company's proposed program of erection of 699 new boards, and for general working capital.

Ruth Outdoor Advertising Co., Inc., Albany, N. Y., operates its general outdoor advertising business principally in the area of Eastern New York State to the Canadian border. As of Dec. 31, 1960, the company owned and operated over 211 billboards. The company intends to further promote the use of painted bulletins utilizing Neon lighting and to enter a new media of outdoor advertising, namely "Junior Panels." These 6x12 ft. panels can be placed on walls strategically located in heavily populated areas, cities and highways.

For the year 1960, the company had total income of $169,803. Upon completion of current financing, outstanding capitalization will consist of 80,000 shares of class A and 60,000 shares of class B stock.

General Economics Common Offered

Public offering of 130,000 common shares of General Economics Corp., at $5 per share is being made by First Continental Planning, Inc., 130 W. 42nd St., New York. Proceeds from the sale will be used by the company for working capital.

The company, whose address is the same as the underwriters, is active in the Over-the-Counter Market as both broker and principal, sells mutual fund securities and life insurance, and finances the payment of life insurance premiums.

Lannett Company Common Offered

Netherlands Securities Co., Inc., New York City, is publicly offering 150,000 common shares of Lannet Company, Inc., at $2 per share. Net proceeds will be used by the company for investment in a new building, equipment, research and development, sales promotion, and working capital.

The company whose address is Frankford Ave., and Allen St., Philadelphia, was incorporated on June 29, 1942 and succeeded to the business of The Lannett Co., a partnership formed in December 1941. It is engaged in the business of manufacturing and selling drugs and pharmaceuticals.

Businessman's BOOKSHELF

American Association of Advertising Agencies — 1961-1962 Roster and Organization—American Association of Advertising Agencies, 420 Lexington Avenue, New York 17, N. Y. (paper).

American Bureau of Metal Statistics — Fortieth Annual Year Book—American Bureau of Metal Statistics, 50 Broadway, New York 4, N. Y. (paper), $4 (hard cover, $4.50).

Automation and Unemployment— Chamber of Commerce of the United States, Washington 6, D. C. (paper), 50 cents (quantity prices on request).

Commercial Credit Insurance as a Management Tool—Clyde William Phelps—Educational Division, Commercial Credit Company, Baltimore 2, Md. (paper).

Criteria of a Well Functioning Financial System—R. H. Beckhart—University of Queensland Press, Brisbane, Australia (paper), three shillings.

Electrical and Electronics Industry in Puerto Rico—Richard L. White —Economic Development Administration, 666 Fifth Avenue, New York 19, N. Y. (paper).

European Common Market: Problems and Opportunities in the New Frontier of American Business—Sylvan Gotshal—Weil, Gotshal & Manges, 60 East 42nd St., New York 17, N. Y. (paper).

Federal Deposit Insurance Corporation — Annual Report for Year Ended Dec. 31, 1960 — Federal Deposit Insurance Corporation, Washington, D. C. (paper).

How to Cut Costs to Help You and Your Company Get Ahead—Raymond Dreyfack—Employee Relations, Inc., 19 West 34th Street, New York 1, N. Y. (paper), 25 cents.

How to Make Money in the Commodity Market — Robert L. Gardner — Prentice Hall Inc., Englewood Cliffs, N. J. (cloth), $4.95.

Investment Companies—1961 Edition—Covering 348 U. S. and Canadian Funds—Arthur Wiesenberger—Arthur Wiesenberger & Co., 61 Broadway, New York 6, N. Y. (cloth), $25.

Labor Market in Mid 1961—June 1961 issue of Federal Reserve Bulletin—Board of Governors of the Federal Reserve System, Washington 25, D. C. (paper), 60¢.

Money and Credit: Their Influence on Jobs, Prices, and Growth —The Report of the Commission on Money and Credit—Prentice-Hall, Inc., Englewood Cliffs, N. J. (hard cover), $3.95; (paperback), $2.00.

Multi-Millionaires: Six Studies in Wealth — Goronwy Rees — The Macmillan Company, 60 Fifth Avenue, New York 11, N. Y. (cloth), $3.50.

New Millionaires and How They Made Their Fortunes — By the Editors of the "Wall Street Journal," Bernard Geis Associates (cloth), $4.95.

Philippines—Basic Industrial and Trade Data—First National City Bank of New York, 55 Wall Street, New York 15, N. Y. (paper).

Puerto Rican Securities — Quarterly Report to Investors — Government Development Bank for Puerto Rico, San Juan, Puerto Rico (paper).

Secrets of Selling Yourself to People—How to use your personality, outlook and ideas, to attain business and social success — James T. Mangan—Prentice Hall Inc., Englewood Cliffs, N. J. (cloth), $3.95.

Sell Like an Ace — Live Like a King — A Textbook of Solid, Workable Sales Techniques—John Wolfe, Prentice-Hall Inc., 70 Fifth Avenue, New York 11, N. Y.

Stock Valuation in Federal Taxation — Adolph E. Grunewald — Bureau of Business and Economic Research, Graduate School of Business Administration, Michigan State University, East Lansing, Mich. (paper), $1.

Techniquest of Monetary Control —Joseph Aschheim— Johns Hopkins Press, Baltimore 18, Md. (cloth), $4.50.

THE MARKET . . . AND YOU

BY WALLACE STREETE

The string of listless stock markets continued to grow this week, but this time in part due to a random session sandwiched between a weekend and a holiday that dropped turnover to a new low for this year.

There was some bidding for top-grade issues including, at times, Eastman Kodak, Reynolds Tobacco and American Telephone. Electronics were given a whirl occasionally, but overall progress was not conspicuous and most of them were still well under their 1961 highs.

Rails Drab

Rails were drab but generally steady. They showed no signs of coming to life to take over market leadership as hoped by followers of this neglected section. With the New Haven in default on its bond interest payments, on the brink of bankruptcy, there was no life in the hard-pressed Eastern roads. Moreover, when it comes to the better quality roads where profits have held up well, the only occasional spate of buying was limited mostly to Norfolk & Western and with no follow-through to it. N. & W.'s profit-making ability is superior to even that of some of the better grade railroads. One statistical tabulation rates it with showing a 70% increase in profits from the average of 1951-53, which is by far the best showing in the industry.

Norfolk & Western is still digesting its recent merger with the Virginian. That was accomplished late in 1959, but the company's projections are that the full benefits will not become apparent until the end of this year with the completion of the plans to interconnect the two. Estimates are that it will save $12 million a year, and this is considered conservative.

The thinking behind any favorable attention to railroad securities is that their costs have probably reached bottom through the frantic efforts to cut expenses through the recession. And they have the capacity to handle increased business economically with a resultant sharp increase in profits. Several roads, in fact, have been able to show earnings increases despite lower revenues in their recent reports, which is an unusual ability in the rail business.

Piggyback, the Bright Spot

The bright spot of growth in an otherwise stagnant business is the piggyback operation, a blend of truck-rail movement that jumped a third last year despite a decline in overall railroad carloadings. Since the piggyback shipments are still only around 2% of total rail revenues, and projections are that piggyback revenues in time will account for a fourth of rail revenues, there obviously is room for much more expansion. The major problem of railroads generally is to find some way of increasing their handling of total intercity traffic. And so far the piggyback idea is the only one that has struck paydirt.

Coppers Gyrate

Copper shares have been the gyrating ones and, more times than not, the undervalued ones. In this group the one that has done the most to change its nature is Cerro Corp., the old Cerro de Pasco Copper company that was best known as a Peruvian mining company.

From purely an extractive business, the company has gone into fabricating and added oil, gas and cement to its interest. And where a handful of years ago its Peruvian metal operations accounted for most of its revenues, now products made in the United States account for two-thirds of its sales while the Peruvian work has held level.

Obviously all these moves, and new units and expansion, have been expensive. So Cerro's earnings record has yet to show the full benefits of the diversification moves. In fact, its joint operation with Newmont Mining to set up a cement plant in upstate New York isn't scheduled to start production until 1963. Its partners in a new Peru copper enterprise are distinguished — Newmont, Phelps Dodge and American Smelting. The shares have been well deflated from their high of the last half dozen years.

At the high of $64 they sold at about their current net worth, lately have been available below $40 where on the earnings potential that should show once all the projects are producing, the price earnings ratio was an indicated eight times or less. Even on the basis of estimated earnings for this year, the shares are available at only a bit more than 11 times earnings which is a conservative ratio in markets such as have been witnessed recently.

Misunderstood Item

One of the most misunderstood issues around is Robinson Technical Products. It makes high vacuum furnaces, text chambers and shock and vibration mounts with which the general public is completely unfamiliar. Robinson has been active in expanding and acquiring, including one electronics company that makes assemblies and components for computers. Some three-fourths of this division's work is for International Business Machines. Here, again, its expansion and diversification steps have yet to be reflected fully in earnings, but should do so shortly as some of the newer endeavors show doubled sales within the short span of a year or two.

Electric Bond & Share, the old public utility holding colossus, is also a company that has stressed diversification. Listed these days as an investment company, Electric Bond has a quality portfolio, runs Ebasco Services, a top-flight engineering company, a chemical speciality construction and engineering company, as well as having a part interest in a chemical company. One feature of Electric Bond that makes it rare is that its dividends are tax free, being considered a return of capital from its losses on utility investments. It is planning to shift its shares from the American Exchange to the New York Stock Exchange.

Changed Stature of the Chemicals

The prime chemical companies, long the growth ones in the stock market until the "science" stocks took over the mantle, have not been well regarded by investors for a long time since competition has been keen, newcomers in the field active and earnings on something of a plateau.

The chemical issues, consequently, are now grouped with the "cyclical" industries which benefit importantly in times of business recovery, such as now. Meanwhile one tabulation shows that out of 13 chemical companies, nine were selling below the 1957-1960 highs and six below the 1956-57 peaks so the issues are still available at what can be considered deflated prices.

Oils Still Neglected

Oil shares, despite occasional stirring, haven't come back into favor to anything like the degree that obtained in the years immeditely following World War II. And this is in the face of a pronounced turn in their fortunes plus some of the brighter year-to-year earnings comparisons at a time when such reading was not very pleasing.

Gulf Oil, however, held well despite a secondary offering of $64 million of its shares by a group of related trusts. The company for the recession year of 1960 showed earnings of $3.20 a share from $2.90 the year before and even this wasn't enough to give it a range running as much as 10 full points for this year. In fact, the shares have shown little life ever since the last 3-for-1 split in 1959. They had also been split in 1951. The company is a cash-stock payer, having larded the $1 cash dividend with a 3% stock payment last year.

Allied Stores in the chain group is one of the higher-yield items around, since the play in stores stocks generally seems to have skipped by it. Its indicated return is nearly 5½%. The unknown quantity about Allied is what luck it will have in door-to-door selling to recapture for two New York department stores the customers who have departed to the suburbs. Like other store chains, Allied is moving into the discount field. Its earnings seem to have taken a turn now that modernization and expansion costs are subsiding, and for the full year is expected to show a substantial improvement in earnings over the preceding fiscal period.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Nat'l Secs. Branch

PHILADELPHIA, Pa. — National Securities & Research Corporation has opened a branch office at 1401 Walnut St., under the management of G. Sellers Smith, Jr.

We Can Hope

" . . . time has not permitted the comprehensive review necessary for a tax structure which is so complicated and so critically important to so many people. This message is but a first though urgent step along the road to constructive reform.

President Kennedy

"I am directing the Secretary of the Treasury, building on recent tax studies of the Congress, to undertake the research and preparation of a comprehensive tax reform program to be placed before the next session of the Congress.

"Progressing from these studies, particularly those of the Committee on Ways and Means and the Joint Economic Committee, the program should be aimed at providing a broader and more uniform tax base, together with an appropriate rate structure. We can thereby work toward the goal of a higher rate of economic growth, a more equitable tax structure, and a simpler tax law. I know these objectives are shared by—and, at this particular time of year, acutely desired by — the vast majority of the American people."—President Kennedy to Congress.

We shall all have to await the tax program to be prepared for the next session of Congress. Some encouragement is found in certain things the President has to say about the defects of the present system, but it is far from clear that his Administration is as yet prepared to go all the way in curing the infirmities of the present or any other system with rates as progressive as those now embodied in our individual income tax structure.

Outlook for Exports and Imports of Primary Markets

By J. Carvel Lange,* *President, Industrial Commodity Corp., New York City*

Commodity expert reviews import-export short and long run prospects for individual and total basic crude materials and foodstuffs. His over-all estimate for 1961 is that imports will decline around $150 million compared to 1960 and exports will remain unchanged leaving the latter at $4.2 billion and $4.6 billion for imports. Looking beyond next year, Mr. Lange anticipates further declines in exports due to reduced export subsidization and common market barriers whereas primary product imports will be in an upward trend. Moreover, he surmises primary prices are undergoing somewhat of an upward move.

Our studies indicate that demand trends among America's leading customers for her primary exports will be more favorable in 1961 than in 1960.


J. Carvel Lange

Industrial production in each of the leading countries of destination shows a pattern of substantial percentage gains over year ago as in Japan, West Germany, Italy, the Netherlands, and India; or as in the United Kingdom and Canada, a pattern of renewed acceleration.

Raw Cotton (Table I) is the leading crude material exported. Both the quantity and value of raw cotton exports in 1960 were approximately double 1959. We anticipate a reaction this calendar year, especially after August, when higher export prices go into effect under 1961-62 price support arrangements. Government cotton stocks have been greatly reduced this season, thus reducing pressure for official exports. We estimate cotton exports for 1961 calendar at a little over 6 million bales compared to 7.8 million in 1959. Perhaps a third of the 1961 export of cotton will be moving under direct government program, or about the same proportion as for agricultural exports as a whole.

Exports of **crude fats, oils, oilseeds** — in second place among crude materials exported from the United States in 1960—should increase further in 1961, with low importing country stocks, low Mediterranean olive crop, and curtailed soybean exports from China because of food shortage. An important reversal of the long postwar downtrend in fats and oils prices is also underway. Our studies show that in **soybeans**, for example, as a result of these various causes, the total value of soybean exports this calendar year will be some 40% higher than last.

Unmanufactured **tobacco** exports should also increase in 1961, but to a lesser extent than in 1960. The two principal buyers of American tobacco, United Kingdom and the Netherlands, upped their purchases quite unusually in 1960.

Coal exports should continue their long-term downtrend in 1961, as in recent years with the possible exception of exports to Japan and Germany.

Exports of **hides and skins** should increase further in 1961 because of low Argentine cattle slaughter and firm prices.

Then, under the category of crude foodstuffs, we find that **wheat** gets top billing with three-quarters of wheat exports under government programs. The pressure to push United States wheat into export channels by all possible means can readily be appreciated. Last June the domestic wheat carryover amounted to two years' usage. The current domestic crop amounts to two years' usage also. The official hope is to get rid of something like a year's usage in exports, of which some three-quarters will be under government program.

Exports of **corn** and other grains should also push up in 1961. Here corn is the largest item. Pressure to increase corn exports, though real, is less than for wheat. Last October's corn carryover was some six months' domestic usage.

Summing up these various tendencies, we gather the impression that for 1961 calendar, U. S. exports of crude materials and crude foodstuffs will be about unchanged on 1960. Some $200 million less exports of crude materials—principally because of less cotton and less coal—will be about offset by some $200 million more crude foodstuffs, principally more grains.

Total exports of crude materials and crude foodstuffs taken together, will, however, apparently be higher than in 1958 and 1959 but not as high as 1957, when the export of these groups reached $4.4 billion—due largely to an entirely exceptional $173 million exports of crude petroleum in response to the Suez crisis. By contrast, we put United States 1961 petroleum exports at some $9 million only, assuming no similar development this year.

Of course, the United States is also an important importer, as well as an exporter of crude materials and crude foodstuffs.

In quantity terms the broad swings of United States imports of crude materials tend to follow the movement of consumer nondurable goods orders. Our own private weekly series on consumers' nondurable goods new orders has been tracing an interesting and, we think, significant pattern. Consumer nondurable goods new orders have been in a general uptrend since last September and have also been generally below retail sales, thus signalizing under-ordering. This pattern (which continues on latest figures) foreshadows further increases in orders for nondurable goods in the months ahead, followed by a renewal of the rise in imports of crude materials during the latter months of 1961 and into 1962 in terms of the relationship already mentioned.

Petroleum (Table II) is the leading crude material import. In 1960, petroleum accounted for 30% of the crude materials imported. Crude petroleum imports may be moderately lower in 1961, with a small increase in quantity offset by lower prices due to increasing competition from the new production in Libya, Algeria, Arabia (assuming, of course, reasonable international stability).

Imports of **iron and ferro alloying ores and concentrates** should be lower in both quantity and value this year, because of excessive inventories.

Crude **rubber** imports should decline further in 1961. Any slight increase in domestic rubber consumption should be more than offset by inroads of new synthetics. Natural rubber prices have strengthened somewhat during 1961 thus far, but for the year as a whole, are unlikely to equal the 1960 level.

A modest increase in **wool** imports can be anticipated for 19:1, especially for apparel wool, because of some revival in usage, past inventory liquidation, and a domestic clip slightly smaller than a year ago.

Imports of non-ferrous ores rose sharply in 1960, with chief increases in copper and tin. We expect lower copper ore imports this year. Demand for copper has been retarded during the year to date because of below year-ago steel shipments. Copper prices are rising, but began their advance from levels below the 1960 average.

Tinplate demand may be about the same this year as last, but imports of tin ores are unlikely to increase much this year, having already recovered in 1960 to levels existing in 1956 before the sale of the government's longhorn smelter to the Wah Chang Corp., which is experiencing difficulty in obtaining an adequate supply of Indonesian ores. Tin prices are strong, but are in the buffer tin pool's selling zones. The value of lead and zinc imports should be less in 1961 than 1960 because of lower average prices. Importable quantities still remain subject to quota limits imposed in 1958

Unmanufactured **tobacco** imports should also increase in 1961, largely because of the growing popularity of many foreign tobaccos for blending purposes. Some $25 million of Havana cigar leaf and wrapper from Cuba is, however, potentially subject to embargo and could not be readily substituted from foreign sources (unlike sugar, where Cuba's U. S. quota has been redistributed among other offshore suppliers).

Imports of **hides and skins** should also be well sustained because of firm prices and greater domestic production of leather footwear.

Copra imports should be lower, in reflection of lower 1961 average prices together with reduced shipments from the Philippines because of past typhoon and drought damage.

Pulpwood imports should also be lower in keeping with the persistent reduction in the use of imported pulpwood from 20% in the 1920's to around 10% by 1947, and currently to less than 3%.

United States imports of crude materials as a whole may be put at some $2.8 billion for 1961—$100 million or so less than for 1960, because of lower imports of petroleum, of ores and concentrates.

Imports of foodstuffs should, however, be virtually unchanged in total this year because of offsetting tendencies.

Green coffee accounted in 1960 for 53.0% of total imports of crude foodstuffs and amounted to a little over $1 billion. Net imports of green coffee were 22.3 million bags, or almost a million bags less than in 1959, because of a destocking move which has persisted through the early part of this year. But 1961, as a whole, will likely see a larger quantity imported than in 1960, to meet rising consumption and later stock rebuilding. In value terms, the 1961 total will likely be moderately lower than in 1960 following the persistent trend of recent years, which has been due to falling prices, under the pressure of an extreme world surplus of both production and carryover. The flow of coffee on world markets is being progressively brought under regulation by international agreement, and the price fall has been slowed down, if not halted. But a persisting move toward cheaper coffees, especially African Robustas, for instant preparations, continues to reduce the average value per bag of imports.

Cocoa and **tea** ranked next to coffee in 1960, at $199 million—$143 million for cocoa, $56 million for tea. Quantities of cocoa beans imported rose from 444 million lbs. in 1958 to 480 million in 1959 and to 522 million in 1960. 1961 arrivals and grindings indicate a continuation of the quantity increase. The total value of cocoa

TABLE I

United States Exports of Crude Materials and Crude Foodstuffs

(million dollars)

(a) Crude Materials	1956	1957	1958	1959	1960	Est. 1961
Cotton	730	1,060	661	452	988	700
Fats, Oils, Oilseeds	338	366	312	430	473	532
Tobacco	334	359	354	347	378	393
Coal	732	829	526	378	354	320
Hides	59	67	55	62	77	85
All Other	321	428	229	244	317	359
Total Crude Materials	2,514	3,109	2,137	1,913	2,587	2,389
(b) Crude Foodstuffs						
Wheat	696	734	570	614	852	1,000
Corn, Other Grains	374	359	475	564	523	550
Fruits, Vegetables	187	178	180	203	192	198
All other	74	61	55	66	73	80
Total Crude Foodstuffs	1,331	1,332	1,280	1,447	1,640	1,828
Total (a) and (b) Combined	3,845	4,441	3,417	3,360	4,227	4,217

TABLE II

United States Imports for Consumption of Crude Materials And Crude Foodstuffs

(million dollars)

(a) Crude Materials	1956	1957	1958	1959	1960	Est. 1961
Crude Petroleum	838	980	940	872	895	880
Iron and Ferro-Alloying Ores	466	508	368	444	450	375
Rubber	402	353	251	386	326	280
Non-Ferrous Ores	256	290	234	190	236	208
Wool	242	211	164	224	197	205
Diamonds	161	128	112	157	139	144
Tobacco	90	96	104	112	115	120
Undressed Furs	79	79	80	96	96	100
Hides	66	49	54	88	71	75
Copra	42	41	48	68	64	55
Fibres (1)	59	95	54	56	51	55
Pulpwood	37	36	29	26	25	23
Other	351	345	323	377	346	365
Total Crude Materials	3,089	3,211	2,761	3,096	3,011	2,885
(b) Crude Foodstuffs						
Coffee	1,439	1,376	1,170	1,093	1,003	990
Cocoa, Tea	194	185	221	216	199	198
Fish, Shellfish	114	122	146	162	172	190
Bananas	68	70	70	78	79	85
Other	220	267	330	275	270	242
Total Crude Foodstuffs	2,035	2,020	1,937	1,824	1,723	1,705
Total (a) and (b) Combined	5,124	5,231	4,698	4,920	4,734	4,530

(1) Cotton, sisal, henequin, jute.

bean imports will likely be less, as in each of the past several years. Our studies indicate that despite some recent signs of price strength during the present seasonally low import period, average cocoa bean prices should be lower in 1961 than in 1960. The quantity of tea imported should increase in 1961, at least along with population, but prices should, we think, be moderately lower in the absence of drought in important producing areas—as, for example, in Pakistan last year. Consequently, we put the total value of tea imports for 1961 at slightly less than in 1960.

Summing up these various categories, we can look forward to a total value of United States imports of crude materials and crude foodstuffs of around $4.6 billion, almost $150 million less than last year because of lower imports of crude materials and virtually unchanged imports of foodstuffs. By comparison, as already mentioned, United States exports of crude materials and crude foodstuffs combined should be about unchanged in 1961, at around $4.2 billion.

Longer Range Outlook

As for longer range prospects, United States exports of primary products seem headed for further increases, at least next year, because of continuing pressure to dispose of surplus agricultural production, notably grains, and the growing popularity abroad of such non-surplus items as American tobacco and American soybeans.

Beyond next year, it should be possible to foresee greater emphasis on farm production curbs, and reduced Federal assistance to foreign buyers. United States exports of primary products could then diminish perceptibly, by perhaps as much as one-third.

Proposed variable duties on agricultural imports by nations of the European Common Market to make up the price difference between home and foreign products would restrict American exports of wheat, fruits and vegetables, poultry and some dairy items to Common Market countries, but would have less impact on exports of such items as cotton, tobacco, and fats and oils, because of the insufficiency of production of these latter commodities within the area of the Common Market and its related African territories. These proposed duties have been vigorously opposed at general agreements on tariffs and trade negotiations, not only by the United States, but also by other agricultural exporting countries.

Again looking beyond 1961, we can foresee that United States imports of primary products will be in an uptrend through 1962, at least, with economic expansion creating higher demands for imported crude materials, notably ferrous and non-ferrous ores, also various imported tropical foodstuffs such as coffee, cocoa, tea, and bananas. Imports of fish and shellfish should continue the rising trend of recent years. Such items as natural rubber and raw wool will be encountering increasing encroachment from synthetic substitutes, but not sufficiently to offset the general impression of higher 1962 primary imports.

Primary prices have already responded to major current surplus situations, and have in many instances been brought under rather firm support by stabilization schemes. Somewhat of an upward move in primary prices is underway.

*An address by Mr. Lange before the National Industrial Conference Board, New York City.

Bayes, Rose Co. Formed

Bayes, Rose & Co., Inc. is engaging in a securities business from offices at 39 Broadway, New York City.

U. S. Was Once Undeveloped Too, But Received No Aid

By Dr. William H. Peterson, Associate Professor of Economics, Graduate School of Business Administration, New York University, New York City*

Review of recently published book praises clear cut reminder of policies and principles responsible for our growth which are hardly to be found in prescriptions compounded for today's underdeveloped countries. Professor Peterson culls from "The Permanent Frontier" such other reminders as: the architects of American growth were thinkers and doers, business grew in partnership with a limited government's patent office, Europe's mercantilism was rejected, small investors willingly risked and workers willingly worked.

For all their talk of foreign economic growth and production "miracles" — the West German boom, for example, or the Soviet Union's much trumpeted but none-too-reliable 6 or 7% annual growth rate in Gross National Product—professional economists and other learned men all too often overlook the rather creditable job of growth in their own backyard: the economic development of America.

Dr. W. H. Peterson

So "The Permanent Frontier: An Illustrated History of the U. S. Economy in Action"* comes as a welcome reminder that soft inflation, cheap interest rates, massive public spending, permanent government gifts and loans—to name some of the paraphernalia in the modern economic developer's kit—didn't figure constructively, if they figured at all, in the economic surge beginning several generations ago of Europe's rambunctious offspring in the New World.

Today the offspring, a geographical accident that Columbus bumped into in his search for Cathay, has grown into far and away the richest and most powerful economy on either side of the Iron Curtain, and with the highest living standards; and its behooves thinkers and politicians to keep their sights on how it was done.

For the salient point of this work originally serialized in *Challenge*, New York University's economics journal, is that American growth is the achievement of business. And if as Calvin Coolidge once said, the business of America is business, this business has been a highly successful one. The testy upstart that humbled mighty Britain was from colonial times a business society, a business civilization, a land of do-it-yourself inventors and do-it-yourself entrepreneurs who utilized the proprietorship, the partnership, and the corporation as devices to pool savings and launch private enterprises. Many of the fledgling enterprises sputtered after a few months or a few years and then died, having failed to pass the market test—that is, win consumer acceptance. In other words, there has always been, every year, a business mortality rate in America, a symbol of consumer sovereignty; and the absence of this rate behind the Iron Curtain is a sign of consumer subservience.

But especially significant in America have been the business survival and birth rates. Enterprises by the millions, rural and commercial and industrial, have won consumer acceptance, have grown into thriving small businesses and, in a significant number of instances, into big businesses, and, big or small, have contributed greatly to American economic growth. One measure of this growth can be found in the U. S. Patent Office, authorized in Article I of the Constitution. Here are the musty designs and blueprints of tinkerers and inventors of more than a century ago, the original mechanizers, automaters, mass producers, and innovators, who along with the savers and investors and entrepreneurs constantly created, accumulated, and upgraded what the accountant so dully calls fixed capital—the very sinews of industrial well-being.

Here are patents on the steel plow, the harrow, the planter, the reaper, the harvester (which not only reaped but at the same time gathered the grain in sheaves and tied a string around each sheaf and laid them down in neat rows), the steel rail for railroads, the open-hearth furnace for making steel, the sewing machine, rubber, dynamite, wire rope, the Pullman car, the safety razor, the electric street car, refrigeration, the electric light, the typesetting machine, and so on for thousands and now milliions of patents, virtually every one of them privately owned, every successful one in its own way a propellant to economic growth and a more abundant life.

But the fact that the Patent Office is an arm of government is testimony that business did not perform its act of growth alone, that in the wings was a silent, limited partner, which over the years has become increasingly less silent and less limited: the U. S. Government. A big reason for the limited partnership role: Mercantilism.

The editors of *Challenge* review the ineptitudes and countless frictions of the Mercantilist economic policies of Mother England. The colonists rebelled against not so much the arrogant personality of King George III as against the tax on tea, the Molasses Act, the Stamp Act, the Sugar Act, against—to quote from the Declaration of Independence —"a multitude of New Offices . . . and swarms of Officers to harass our people, and eat out their substance" (shades of Parkinson's Law). In short, colonial freedom and economic growth was all but stopped by excessive economic intervention.

Thus, as every schoolboy knows or ought to know, the Founding Fathers wove in *limiting* "checks and balances" throughout their unique design of government: a tripartite central government, a Federal system with co-equal States, with States' rights, a written Constitution, a Bill of Rights. The design — political *and* economic freedom—worked. Limited government served to unlimit economic growth, and the libertarian economy and society took off.

So the architects of American growth turn out to be both thinkers and doers—political thinkers like Thomas Jefferson, Alexander Hamilton, and James Madison, industrial doers like Cornelius Vanderbilt, Andrew Carnegie, and Henry Ford. In addition, there are millions of unsung and mostly unknowing doers in the American growth story—the small investors who took a chance with shares in a canal, a railroad, an oil well, an iron works; the workers from Europe with but a bundle on their backs or from Africa with chains on their feet who sweated in steel mills and packing houses and road gangs; the small businessmen who plowed their savings into a country store, an agricultural implement dealership, a coastal sailing vessel, a stable, a clothing store, a filling station, and so on. Growth came in bits as well as in lumps.

But there are breaks in American growth. The upward trend line has dips along the way. In 1837, for example, a long depression climaxed Jackson's second Administration, which had witnessed much wild speculation and inflation. From 1865 on defeat and Reconstruction laid the South low for decades. In the depression of the 1890's, the Populists talked up free silver, the graduated income tax, and government ownership of the railroads. And in 1929. . . .

The American growth story is unfinished. Up to now it's been a dramatic human interest story of architects, engineers, and workmen, of strokes of genius and strokes of foolishness, of the libertarianism of Thomas Paine, the nobility of purpose of George Washington, the homely wisdom of Abraham Lincoln, the bold experimentation of Franklin Roosevelt, the sense of balance and responsibility of Dwight Eisenhower.

One may differ with the *Challenge* editors here and there on some of their emphasis and interpretations, just as one may differ with such late economic historians as Frederick Jackson Turner, Charles Beard, and Garet Garrett and with such modern growth theoreticians as W. W. Rostow, Colin Clark, and John Kenneth Galbraith. Who's right and who's wrong? Who talks growth and who talks growthmanship? The future holds the answer, but one thing is certain: American economic growth has been the wonder of the world, and no foreign government's "aid" figured in it.

***The Permanent Frontier: An Illustrated History of the U. S. Economy in Action. Edited by Haig Babian and others. New York University Institute of Economic Affairs. 127 pages. $3.95.**

Wagner Joins Peet Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Bernard F. Wagner has become associated with H. O. Peet & Co., 23 West 10th Street, members of the New York and Midwest Stock Exchanges. Mr. Wagner was formerly in the municipal department of the local office of Dempsey-Tegeler & Co. and prior thereto was with Burke & MacDonald.

Steven Inv. Corp.

BALA CYNWYD, Pa. — Steven Investment Corporation is engaging in a securities business from offices in the Barclay Building. John Greenbaum is a principal of the firm.

Central N. Y. Branch

COOPERSTOWN, N. Y. — Central New York Investing Corporation has opened a branch office at Pioneer & Chuch Street, under the management of Roger B. Hall.

C. Ray Miller Opens

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — C. Ray Miller is engaging in a securities business from offices at 629 South Hill Street.

Eric Rosner Opens

Eric Rosner is engaging in a securities business from offices at 609 West 174th Street, New York City.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

Tell the Truth

It has become a recognized fact in all sales work that the day when a salesman might misrepresent, or "gild the lily," is now a thing of the past. Such a policy has been disproven. It never was accepted by firms of integrity, although there were those who believed that in order for a salesman to be successful he might have to "stretch the facts" a bit; and possibly there are still some die-hards around who would agree. In the investment business nothing could be more helpful to a salesman than to build a reputation for candor, honesty, and integrity. It has been my good fortune to have heard the following anecdotes recently and I pass them along as concrete examples to illustrate and prove the point.

You Never Know for Sure

The man who told me the following story spent over thirty years as a security salesman and a dealer in securities. He is now retired and has friends all over the country who have done business with him during his business career. Many of these people still write him and ask for advice on their investments even though he is no longer active in the securities business. When you receive letters from people you sold securities twenty-five years ago and they want your advice, and when you have a lifetime of accomplishment behind you in the investment business, you can talk from experience.

This man told me he once had a customer who would buy five, ten, but never over fifteen tax exempt bonds from him several times a year. Sometimes he would invest for his wife's account and also for relatives. In the mind of the salesman, the customer was tagged as a buyer of small lots of bonds, and this mental image persisted over a period of several years.

It was about the time when the first issue of Port of New York Authority "George Washington Bridge" bonds came to market when my friend told me he learned his lesson that it pays to always tell the complete, and the whole truth. The customer was a dairy farmer who lived in upstate New York. As usual, when an issue came to market the salesman telephoned his customer and offered the bonds. Much to his surprise he was asked, "They sound attractive, how many do you think you can get for me?" At the time there were still about $10,000,000 unsold bonds in the account and the salesman thought (erroneously) that if he mentioned this to the customer he might kill the sale. So, without stating this fact, he replied, "I think I could get you a hundred thousand if you want them. We are in the underwriting group and there are still bonds available." The customer placed an order for a hundred bonds and the salesman felt very happy about his sale.

Several days later he had a reason to be in the customer's vicinity so he stopped to see him and thank him for the order. Much to his surprise he was told, "I am sorry you did not have more of those bonds. I bought another two hundred thousand for the Dairyman's Association up here. We think that new bridge will be just fine for us, since we no longer will have to send our trucks another thirty miles through traffic and over the ferries." My friend told me, "That was my lesson. This man was a professional investor and I could have just as well told him that there were plenty of bonds still available, but I was certain that they would be bought by investors when their value was discovered which is just what happened." Instead of an order for a hundred bonds the salesman could have easily sold his customer three hundred thousand, but he thought he might kill the sale if he told him that the issue was "sticky."

Basic Integrity

Another friend who is a dealer in over-the-counter securities and is known from coast to coast told me this one. At the request of a friend he hired a young man to sit at the trader's desk and learn the business. After several months the trainee received a telephone order from an out-of-town dealer to buy 100 shares of an inactive stock that was quoted 54 bid offered at 57. He luckily was able to make the purchase at 54¼. Proudly he brought the trade ticket to his boss and left it on his desk. When his employer saw this he called the trainee in to see him. "Why did you put that ticket on my desk?" he asked. "I thought you might want to confirm the stock as principal since I made such a good purchase," the trainee replied. He was told to charge the customer regular stock exchange commission and handle the order on an agency basis. Later that day his boss called him in and told him, "If you think this way you can't work around here. There is only one way we do business and you don't fit into our organization."

Several weeks later this dealer was visiting in the city where the order originated and the local broker told him that he was very grateful for the excellent execution of his order. He said he confirmed the trade to the client without making a dime on it, but it was his first order from one of the most important investors in his city and the customer was very pleased.

What the young trainee did not know was that this customer was only one of hundreds of large and small professional, as well as individual clients, that this firm has serviced over the years. The personal integrity of the man who heads this organization is the foundation for one of the most successful unlisted houses in the country. Orders running into tens of thousands of shares from other dealers, banks, institutions and mutual funds are a daily occurrence and most of these orders are on a commission, agency basis, except those in which the firm maintains firm markets. There was no place in this organization for a young man who thought it was good business to change the rules in the middle of the game just to make another hundred dollars.

Coburn, Middlebrook Brch.

TORRINGTON, Conn.—Coburn & Middlebrook, Incorporated has opened a branch office at 40 Main Street, under the direction of Thomas F. Eagan.

Harding Tulloch Office

BANGOR, Maine—Harding Tulloch & Co. has opened a branch office at 15 State Street, under the management of Peter H. Tulloch.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Flight From Reality

It should not tax the memory of any Wall Streeter to recall that once the airlines had glamour. They still retain that difficult-to-define quality for passengers whisked between New York and Chicago in a couple of hours and across the Atlantic in a few more hours. And they retain their allure for bankers financing high-priced capital equipment in the jet age.

But they scarcely qualify as institutional favorites and individual investors have no difficulty in restraining their enthusiasm for these stocks, as a group. The reasons are plain enough: at $5,000,000 each, jet aircraft are not cheap; corporate debts are onerous, eased not on whit by the high cost of borrowing; the government has created needless competition, which not only has cut into revenues but forced record-high promotional and advertising expenditures, and depreciation allowances simply don't cover costs of the new airplanes.

In *Perspective*, a monthly publication of Calvin Bullock, Ltd., the basic difficulties of the domestic trunk airline industry are thoroughly canvassed. It notes:

"On the basis of physical operations the airlines in 1960 were 'flying high' inasmuch as they provided peak levels of service. More ton-miles than before were made available to the air traveler and freight shipper. Also, actual business handled shattered all records with domestic revenue passenger-miles and express, freight and mail ton-miles at new highs."

Reflecting this abundance of business and also certain fare adjustments, total operating revenues increased to a record $1.9 billion. For people who don't bother determining whether volume gains are being carried through to net profits, this would sound like the ideal industry to latch onto growth stocks. But sophisticated investment management takes a dim view of an industry that swaps black ink for red even while it is registering volume gains.

As the Bullock publication emphasizes, the airlines have been "flying low" on the score of profits — indeed, last year they were hardly off the ground. Combined net income from domestic operations are estimated at $1,200,000. That's the poorest showing since 1948, when the airlines sustained a deficit of $5,000,000. As recently as 1959, net profits totaled almost $62,000,000.

After a study of the vital factors affecting the airline industry —competition, mergers, the impact of jets and rising expenses— the publication comes to the conclusion that the domestic airlines have "entered what appears to be a crucial period of their history." It concludes:

"As in every other group, the individual airlines are not all experiencing the sad performance of the industry, nor is the current outlook the same for each company. To be sure, there are a number of problems which all of the airlines have in common, but even these have a varying degree of effect on each carrier. Also, individual companies have their own problems, disadvantages and advantages. The prudent investor will exercise his skills to the fullest, mixed with a generous amount of caution, during this period when the basic factors in the industry seem to be in doubt."

Much the same thing, of course, could be said about many another industry — oil and railroads, as examples. If it were a matter of buying into (or bypassing) an industry, the life of the investor would be a lot easier. But in the final analysis, the people who buy and sell stocks must deal with companies. The investor who is unable to analyze situations, or hasn't the time to study balance sheets, income accounts, route structures and meaningful mergers, figures to fare better under the aegis of competent professional investment management.

The Funds Report

American Business Shares Inc. reports that at the end of May net assets were $27,968,548, equal to $4.68 on each of the 5,970,506 shares outstanding. At the last fiscal yearend, Nov. 30, net assets were $25,363,096, equal to $4.24 on each of the 5,981,079 shares then outstanding.

During the latest six-month period the fund added Chrysler Corp., Creole Petroleum, Kerr-Addison Gold Mines Ltd. and

Welch Scientific Co. H. J. Heinz Co. was eliminated.

* * *

Per share assets of **Bullock Fund Ltd.** increased from $11.98 on Nov. 30, 1960, to $14.50 on May 31, 1961, according to the semi-annual report of the fund. Total assets of the fund were $70,940,082 on May 31, 1961, compared to $56,-153,046 on Nov. 30, 1960.

* * *

At the **Colonial Energy Shares** annual meeting, held in Boston, shareholders voted to adopt a broader investment policy and to change the name to Colonial Growth & Energy Shares Inc. James H. Orr, President of the fund, announced that under the new policy investments will be made in growth areas outside the energy field. He emphasized the desirability of being able to invest in companies operating in such fields as consumer goods, the service industries, pharmaceuticals and finance, and stated that the fund expects to make a number of commitments in these areas shortly.

Colonial Growth & Energy Shares currently has approximately 23,000 shareholders and total net assets in excess of $65 million.

* * *

Net assets of **Commonwealth Income Fund** increased to a record $23,962,031 in the six months ended May 31, S. Waldo Coleman, Chairman, and Robert L. Cody, President, informed stockholders in the annual report. Net assets amounted to $19,952,042 on Nov. 30, 1960, and $17,664,731 on May 31, 1960. Net asset value per share rose during the period to $9.84 from $8.66 on Nov. 30 and $8.69 on May 31, 1960.

During the first half of its current fiscal year Commonwealth placed about 72% of new money received from investors in common stocks. This investment, along with the general rise in value of holdings, raised the proportion of net assets invested in common stocks to 63.7% on May 31, compared with 58.6% on Nov. 30, 1960.

Common stocks added in the first half of the fiscal year included Bethlehem Steel, Continental Steel, Maytag and Union Pacific.

* * *

Depositors of **Diversification Fund Inc.** have received a special report which revealed that the new exchange-type mutual fund had accepted a selective list of individual securities representing 33 industries and having a market value of $104,476,916. The report notes that more than 1,700 securities were offered to the fund. Only 347 of those securities, which were deemed to be attractive long-term investments, were approved for retention in the portfolio.

* * *

Estimated profits of **Electric Bond & Share Co.** slipped to 52 cents per share in the first half of this year from 65 cents for the like 1960 period, George G. Walker, President, told the annual meeting of shareholders. The decline was attributed chiefly to a reduction in dividends from Ebasco Services, an engineering and construction subsidiary. At June 16, it was reported, Electric Bond & Share had net assets of $183,365,-053, or $35.31 per share. This compares with $167,131,925, equal to $31.83 a share, at the comparable 1960 period.

* * *

Total net assets of **Financial Industrial Fund** climbed to a new high of $242,039,155 during the fiscal quarter ended May 31. At Feb. 28 the total was $219,880,413 and at May 31, 1960, the figure was $176,348,450. Meanwhile, net asset value per share rose to $5 from $4.61 on Feb. 28 and $4.21 12 months earlier.

During the latest quarter the fund broadened its investment in the publishing field with new holdings in Harcourt, Brace & World and Western Publishing and an increased position in Holt, Rinehart & Winston. It also established a new position in Farbenfabriken Bayer, while adding to its previous holdings in the merchandising, finance, business equipment, utilities and cosmetics field. Most noteworthy portfolio eliminations were in the aviation industry, where Lockheed and North American Aviation were eliminated. Republic Steel and United Fruit also were eliminated.

* * *

United Corp. net investment income for first fiscal quarter ending June will increase to about $970,000, equal to 7 cents per share, from $776,674, or 5 cents a share, in the year-earlier period, William M. Hickey, President, told the annual meeting of stockholders. Net asset value of this closed-end investment firm as of June 23 was put at $120,452,344, or $8.56 a share, up from the $7.65 a share at mid-1960 but down from $8.67 at Mar. 31, 1961, principally because of the payment of a 10-cent dividend. Hickey said the company has eliminated holdings of Ford Motor Co. and Island Creek Coal. Holdings in the electrical and electronics industries have been reduced.

* * *

Securities with a June 12 market value of $151,095,839 have been tentatively accepted for exchange for shares of **Westminster Fund**, it was announced in a report mailed to depositors. Based on the value of the securities deposited in the "tax-free exchange" fund, the diversification in broad classifications is as follows: Basic industries, 27.4%; consumer goods industries, 22.3%; scientific industries, 19.4%; service industries, 10.7%; financial, 10%; retail trade, 8.8%, and miscellaneous, 1.4%. Westminster reported there were 1,112 depositors and that the average deposit amounted to $135,877.

* * *

The net asset value of **Wellington Fund** was $15.53 per share on May 31, the highest month-end figure (adjusted for the 100% stock distribution in 1956) in the fund's history and a gain of 15.7% from the $13.42 value reported six months previously, Walter L. Morgan, President, stated in the semi-annual report. Wellington Fund total assets reached all-time highs during the first six months of the current fiscal year, the report revealed. On May 31 resources were $1,302,000,000, representing the combined investment program of 320,000 shareholders—also a new high.

New investors, present shareholders adding to their investment, and shareholders reinvesting their income dividends acquired $68,-000 000 of Wellington Fund shares during the past six-month period. Liquidations of shares tendered to the fund for the six months were equivalent to 1.5% of average assets, compared with 1.4% in the first half of 1960.

Oppenheimer Branch

LIDO BEACH, N. Y. — Oppenheimer & Co. have opened their seasonal office in the Hotel Lido under the management of Samuel T. Cohn.

Rittmaster, Voisin to Admit

As of July 1, Rittmaster, Voisin & Co., 250 Madison Avenue, New York City, members of the New York Stock Exchange, have admitted Sarah Klein to partnership.

R. W. Cooper Opens

(Special to THE FINANCIAL CHRONICLE)

PALOS VERDES ESTATES, Calif.—Robert W. Cooper is conducting a securities business from offices at 2417 Via Sonoma. He was formerly with Diamond Securities Company.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

Business indicators are still very much on the favorable side, so that the course of the economy is one of expansion with more than a passing opinion around that this recovery will be a very vigorous one. However, it appears as though there is no fear yet in most quarters of the financial district that the betterment in economic conditions will bring about (fast) another boom and bust psychology. It is this fear of inflation that results in the restrictive measures by the monetary authorities such as higher interest rates and the lessening of the availability of credit. For the foreseeable future, it does not appear as though the money and capital markets are going to be bothered with the boom and bust fear. Hence it does not seem as though the level of interest rates or credit conditions are going to change very much.

Big Treasury Financing Ahead

The money and capital markets, but more likely the money market, are facing the imminent propositions of providing the Treasury not only with new funds, but also with the ways and means of taking care of the issues that are maturing in the very near future. There is no doubt but what the Treasury will use near-term obligations for most, if not all, of the new money and refunding operations which will be undertaken very shortly.

It is expected that the Government will make known next week how it will handle the $9,975,000,-000 3⅛s and 4s which come due on the first of August. It is also the opinion of some money market specialists that the Treasury will include the $2,239,000,000 2¾s which mature on Sept. 15 in this impending refunding. However, the way in which the July maturing operation is provided for, that is whether it will be a straight cash proposition or whether exchange privileges or rights are given the owners of the issues that are coming due will determine whether the Sept. 2¾s are included.

Intermediate Issue Favored by Treasury

Of the maturing issues, more than $4,292,000,000 of the 4s and 3⅛s due are publicly owned, whereas with the Sept. 15 maturity nearly all of it is held by the public. There is no question but what the Treasury would like to use an issue or issues with an intermediate-term maturity in this refunding operation. And Secretary of the Treasury Dillon recently expressed the hope that the Government would be able to exchange at least a part of the obligations which are coming due for intermediate-term issues.

Any decision to make middle-term securities a part of the refunding operation would be a change in the Administration's policy of taking care of maturities and the raising of new money mainly through the flotation of short-term Governments. An intermediate-term security is generally known in financial circles as an obligation with a maturity of between five and 10 years.

Non-Federal Bonds More Attractive

The attention in the capital market continues to be held mainly by corporate bonds because these obligations still give the best yield to investors. And this is in spite of the better yields that are being registered in both the Governments and the tax-exempt bonds. There is still that same movement from the more distant Government bonds into newly issued corporate bonds, principally because the yield is more attractive in the non-Federal issues.

As far as the tax-exempt bonds are concerned, there has been a bit more interest in selected issues in this group because the yields are at levels that have attraction for insurance and casualty companies especially. It is indicated, however, that these purchases of the tax-sheltered bonds have come largely from new money or exchanges from common stocks.

No Long Government Bond Expected

Even though the Treasury may try to lengthen its debt maturity range by exchanging some intermediate-term issues for the coming maturities, there is not likely to be any offering of long-term bonds for either new money or refunding purposes for the foreseeable future. As against this, there is not likely to be any let-up in the offerings of tax-exempt obligations even though these flotations are pushing up the yields of these securities. As for corporate bonds, there is a growing feeling among capital market followers that the issuance of these securities will slow down considerably in the not too distant future.

These anticipatory offerings of new issues for the purpose of getting the bonds out before interest rates move up more might have most favorable results on corporate bond prices in the not too distant future, since new flotations might consequently slow down to snail's pace.

Inv. Co. of Tenn. In Nashville

NASHVILLE, Tenn.—The Investment Planning Company of Tennessee has been formed with offices at 1720 West End Avenue to engage in a securities business. Officers are Ronald E. Fields, President; James E. Wells, Secretary; and Philip Woody, Treasurer. Mr. Fields was formerly Nashville manager for Mutual Funds of America, Inc. Mr. Wells and Mr. Woody were with Clark, Landstreet & Kirkpatrick, Inc.

Directors of the new company are Harold W. Clark, William Nelson II, Edward Kirkpatrick, Jr., and Beverly W. Landstreet III, all officers of Clark, Landstreet & Kirkpatrick, Inc.

Kalman Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn. — Donald H. Webb has been added to the staff of Kalman & Company, Inc., Endicott Building, members of the Midwest Stock Exchange.

Form Triangle Investors

Triangle Investors Corporation has been formed with offices at 45 John Street, New York City to act as dealers in stocks, bonds and mutual funds, and underwriters of new issues.

EDP: Still in Its Infancy

Continued from page 3

instrumentation, and communications.

Some of the most significant break-throughs will come in the area of computer components. Within the last three years we have seen one such major advance in the general employment of solid state transistors which have greatly reduced the size of the computer main frame, its companion equipment, and the necessary power and air conditioning to go with it.

As the economics and technology of manufacture are licked, whole circuits will be microminiaturized smaller than present day component parts. My company already has developed a tunnel diode computer circuit, scarcely larger than a special delivery stamp, and capable of switching performance approaching the speed of light.

In addition to solid state devices, we are moving rapidly toward using liquid state technology in component development, as well as gaseous state technology.

The coming generations of computer components will be smaller and smaller — and capable of greater and greater speeds. It follows then that the computers utilizing such components will be increasingly compact, use far less power than is now required, require little or no air conditioning, and be inherently reliable beyond present imaginations. I have in my office a counter from Dr. Hollerith's first Bureau of Census machine built in 1890. It's a component about four inches by four inches. Certain satellite-borne computers are almost this small today. The main frame of general purpose data processing computers of the future may not be much larger.

We have already gone far enough in a technological sense, such that many new words have had to be added to the engineering vocabulary to describe capabilities of equipments. We used to talk in terms of milliseconds for thousandths of a second; then in microseconds for millionths of a second. The speed ranges of existing developmental components today operate in thousandths of microseconds, or for convenience, what has been labeled as the nanosecond range.

Now, a nanosecond is so short that it has been described facetiously as the time lapse between the changing of a traffic light to green and the horn blowing by the motorist behind you. Seriously, however, a nanosecond, if you can imagine it, is one billionth of a second. Perhaps a better conception of such a tiny segment of time can be gained if you realize that one nanosecond is in the same proportion to one second as one second is to 31 years, 8 months and 14 days.

Coming Logical Organization

We have talked thus far about component design and computer compactness resulting in unbelievable speed of operation. In company with these inevitable break-throughs in the next 15 years, there will be some radical changes in the logical organization of computer hardware — an effort to more closely approximate the functioning of the human brain. We are fully aware that man's thought processes are illogical more often than not. A decision may depend more on emotion, prejudice or force of habit than plain, unadulterated logic.

The electronic computer may never be designed with the ability to consider such unpredictable factors. However, the computer of 10 to 15 years from now will be able to do much of its own thinking in arriving at decisions based strictly on logic.

The computer will learn from experience. For example, when the computer system is asked to prepare a Profit and Loss Statement, the data will be extracted from memory, the necessary operations performed, and the results printed out. The program thus generated becomes a part of the computer's library of information and is constantly available for future use.

The computer will be able to run its own maintenance routines, correct its own trouble by alternate routing and, where needed, give an alarm indication of trouble location without stopping. Thus, maintenance could be performed while the machine continues to operate.

As we delve more and more into the operation and function of the human brain, we apply this new knowledge to the organization of the electronic imitation.

Computers to Build Computers

Today, computers are helping to design computers and test computers. It's entirely feasible that computers will in large measure build computers. This is automation in full cycle. (I'm sure you now suspect that I've drawn a lot of my material from the cartoons in *The New Yorker*. Yet, from what I know about just my own company's space technological break-throughs, Buck Rogers must be on our payroll.)

In the total data processing concept which calls for advanced computer hardware, communications will play a vital role. Communications between computers, between outlying points and a central computer will be increasingly important.

Computers produced by different manufactures until very recently have been total strangers, unable to talk freely to one another. Because each producer's machine was wired differently and designed to handle data in various fashions, and constructed by engineers with minds of their own; there has existed a veritable electronic Tower of Babel.

COBOL

Under sponsorship of the U. S. Department of Defense, a Common Business Oriented Language (COBOL) has been developed, involving a basic Plain English vocabulary for feeding instructions into the computer. COBOL not only makes it possible for the interchange of programs between computers, but can cut drastically into the time needed to tell the computer what to do and when to do it. The use of COBOL and similar universal computer languages will spread, another vital step toward a data traffic "turnpike" network.

We are moving very quickly to advanced electronic devices that scan documents and feed the required data into a computer, reading and remembering facts and figures right from the source of the material. It is even remotely possible that within this period data will be introduced into a computer's memory by the spoken word. My own company already has invented a typewriter that takes direct dictation and turns out a printed version. We can only begin to imagine the impact of a sophisticated device of this type attached to a computer system.

Let me explore here some more of the fascinating **probabilities** that lie ahead in the next 15 years.

Probabilities in Next 15 Years

Direct communications with a computer from a point of sale already has been demonstrated successfully.

Credit card inputs through telephone attachments have been suggested, and one such installation is being advanced.

The foreman on a construction job in Wyoming finds he needs a certain type of electric motor, and he needs it fast. A telephone call from him or the manufacturer's local representative direct to the company's data center places the order. At computer speed, the customer learns when he can expect delivery, with the computer system pulling together all the necessary availability, production, price, and shipping facts.

In the insurance business, the agent records a policy order on a special form which can be scanned to transmit the data over telephone or telegraph lines directly to his firm's data center. The computer then takes over, even writing the policy and storing the data for billing.

In the department store, small electronic devices on the counter will record sales, passing the information along to the store's computer for order fulfillment, data logging, and inventory control.

In one's home, readings from the water, gas, and electric meters will be transmitted automatically to the utility company's main office for computer processing, thus obviating the need for periodic meter reading on the spot. One's monthly bills will be turned out by the same data system. The company, meanwhile, will be guided by the computer in day-to-day operations and in planning more intelligently its present and future operations. Its power demand and requirements can be changed almost instantly to meet the effects of weather and other affecting forces. This latter is almost true today.

The traffic lights of big cities will be under computer control, with strategically located sensory devices passing the word back to the computer center of changing traffic conditions.

Medical Diagnostic Clearing House

In the field of medicine, the computer will serve as a diagnostic clearing house for the benefit of the individual physician. The doctor will be able to dial a computer center, perhaps at the county medical society headquarters, read the list of symptoms noted in a particular case, and obtain the benefits of the best diagnostic brains in the country —specialists from whom data has been obtained for storage in the computer on the local level. Doctors can then spend more time in preventative medicine.

This whole problem of looking for specific answers from a vast storehouse of related or even unrelated information will come much closer to solution. The more organized or codified the information can be, the easier will be the solution. The problem is not so much a hardware one as it is in agreeing on the semantics.

Nevertheless, information retrieval will occupy an increasing amount of computer time. One of the reasons millions of dollars are wasted in research and development in any field is that it is cheaper to duplicate experiments than to take the time to find all the published material on a given problem.

Interestingly enough, information retrieval problems may be solved through the use of magnetic tape, but not traditional computer type. The whole job may well be video implemented similar to the television tapes now used. A computer would search the video file for specific information, like a patent search for example, and print out entirely electronically any information requested, or, the searcher may only want to look at a picture of the document in question and will have the ability from a remote location to call it to his own picture viewing tube. The implications here are fantastic, but highly probable.

Even if all Americans spoke three languages, they would not have time to translate everything written. Computers will do more of this, thereby increasing the information retrieval problem but also making more up-to-date knowledge available from the best the world has to offer.

On the scientific side, there is now, and will increasingly be, no end to types of scientific problems undertaken. Some problems, like the weather analysis and forecasting problem, are really too big for present day computers. More speed and more information storage plus better remote communication devices are needed and will be available. More satellites like TIROS II will send cloud-cover pictures directly to the computer of the future which will be read, analyzed and result in accurate — and timely — long-range forecasts.

Branches of science not now using computers to any large degree will find useful ways of simulating their problems. Biology and Sociology both are far behind the physical sciences, but are now alert.

Study of Man Himself

From such experiments will come computer applications involving man himself. It will become possible to study in minute detail and with great accuracy the relationship of an individual's brain wave pattern to his state of alertness. John Doe would be informed whether he is a one-martini case or can safely order a second without materially affecting his ability to find his way home. The state of the art will be quite advanced, though, before every patrol car will have a computer.

The commercial airline pilot can be checked for his endurance level under varying conditions.

On a broader scale, the job placement process will be extended with the computer taking into account not only previous experience but present and future potential.

Computers will help solve the increasing air traffic problem. Flight plan information for literally thousands of flights daily can be processed by the electronic machine, determining the best route and an alternate when the computer's library of data indicates a possible danger situation.

A national conference on law and electronics recently held, explored the uses of computer and machine language in judicial procedures. This includes the organizing and indexing laws, judicial decisions and legislative acts to provide a legal information distribution center.

We, as manufacturers, are reasonably sure a communications network is possible and plausible during the 1970's to aid justice by not making it necessary to rely on human research.

Industrial Automation

Industry will have at its disposal plant-wide integrated automatic operations systems. These will make use of control devices, data processing computers, communications links and industrial control computers, to not only help run a manufacturing activity electronically, but feed the pertinent data into the front office computer system for billing, invoicing, inventory control, and management guidance.

Industrial electronics promises to transform the entire industrial function into one continuous process with each part automatically relating back to the other to form a synchronized operation.

Most of the computer applications in the field of industry are in the general areas of measuring, computation and control. Electronics today is doing all three jobs, but in unrelated form. Only in a relatively few installations has the feedback loop been closed

by connecting up all three electronic elements to make a complete self-monitoring, self-adjusting, fully automatic production or processing system. Invariably, where the over-all system concept has been tried, the results have been revealing. These results have helped stimulate a tremendous interest in electronic control of entire plants.

The first industries to become completely automated will be the process industries, like power, oil, gas, chemical, any refining process, steel, aluminum, etc. Next will be single, simple product manufacturing plants, then the more complex. Yes, even computers making computers. The technology will be available. How fast it actually comes will depend on the economics of depreciation and replacement of existing tools and plants.

Swifter and Better Managerial Decisions

One of the most valuable results from total system programs is the wealth of correlated information made available swiftly for the decision makers of business and industry through the intelligent use of these computers, controls, and communications. The businessman will be able to see broad trends as they take shape and make projections on a precise basis. He will be able to properly associate these findings with his own company's spot in the overall scheme of things. He will be able to run his firm's existing plants more efficiently, place renewed emphasis on products already being turned out or shift to those which bear more promise, even select with a hitherto unavailable certainty, the most advisable locations for new plant facilities.

Yes, tomorrow's businessman will be able to do all of these things better if first, he wants to, and second, if we manufacturers help him to use these tools better. Relatively more money, compared with Engineering, will be spent in education and in the development of those Management Science programming packages that can make these predictions come true.

One by now may have wondered why there has been no mention of the probable effects of total data processing on government. I have saved the "dessert" for last.

Use in Government

No single facet of our economy presents a more promising field for total data processing than government. Federal agencies already are the Nation's largest users of computer systems, yet in no area is there more pressing need for electronic help to handle the millions of documents deemed necessary to keep the wheels of government in motion. The Federal Government already has well documented their expected computer uses for the 1970's. They appear no less fantastic than some of the areas I have just discussed.

I am sure at this point that one may be thinking I have reached out and predicted an era of data processing that is 21st Century stuff. Let me point out that based on our present day knowledge of what we have and what we know we can have in terms of components, "hardware," systems programming packages, and devices, it is possible, plausible, and feasible to consider these ideas as facts in the 60's and early 1970's.

The picture of the executive of the future may sound inviting. He is seated in Palm Beach at his own remote computer inquiry console and viewing station, not unlike the control room of a television station. He has at his finger tips the opportunity of calling for review any of a series of management reports. He can talk to and see the Vice-President at his console in San Diego. If we reach a little farther than the early 1970's, the Vice-President in Tahiti may be in on a conference that is bouncing off satellites.

But long before this happens, a great exchange of information must take place between the electronic data processing industry and our users. While we are gearing up to help management solve many of their problems, a whole host of new ones will be created just because of the tremendous capability that will exist.

The era of Total Data Processing may be a management nightmare, but with proper planning and education should be the dream we have all been working toward.

*An address by Mr. Dick before the National Federation of Financial Analysts Societies, Richmond, Va.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

William M. Ellis has been promoted to Vice-President of the **Chase Manhattan Bank, New York** David Rockefeller, President, announced yesterday.

Mr. Ellis, who joined the Bank in 1929, is in the United States department, Chase Manhattan's national territorial organization. He is assigned to the group responsible for the Bank's business in Colorado, southern Illinois, Iowa, Kansas, Missouri, Nebraska, and Wyoming. Named an Assistant Treasurer, in 1949, he was promoted to Assistant Vice-President in 1954.

The Bank also announced the promotions of Richard G. Keneven and Eugene J. Olson to Assistant Vice-Presidents in the trust department. Appointed Assistant Treasurers were Harry P. Abplanalp, credit department, and Eugene T. Gagen, investments and financial planning department.

* * *

CHEMICAL BANK NEW YORK TRUST COMPANY, NEW YORK

	Jun. 30, 1961 $	Mar. 31, 1961 $
Total resources	4,632,428,030	4,374,930,456
Deposits	3,980,166,669	3,636,999,911
Cash and due from banks	979,404,810	735,126,661
U. S. Govern't security holdings	589,390,766	567,451,541
Loans and discounts	2,241,146,158	2,315,692,200
Undivided profits	71,517,427	67,303,330

* * *

Russell L. Wardburgh, a Vice-President of the **Morgan Guaranty Trust Company of New York,** died at the age of 64.

Mr. Wardburgh was in charge of economic research in the Bank's international banking division and was economic research officer for two subsidiary companies, the **Morgan Guaranty International Banking Corporation** and the **Morgan Guaranty International Finance Corporation.**

A banker for more than 40 years, he was a Vice-President of the **Guaranty Trust Company of New York** when it was merged with **J. P. Morgan & Co.** in 1959.

* * *

Henry Pomeroy Davison, retired Vice-Chairman of the **Morgan Guaranty Trust Company of New York,** died at the age of 63.

Although Mr. Davison retired from the company several months ago, he had continued as a member of its board of directors and executive committee.

He began in 1921 when he joined **J. P. Morgan & Co.**

* * *

Appointment of Thomas Groark as a deputy auditor of **Manufacturers Trust Company, New York** was announced by Horace C. Flanigan, Chairman of the Board.

Mr. Groark, came to the Bank in 1942.

MANUFACTURERS TRUST COMPANY, NEW YORK

	Jun. 30, 1961 $	Mar. 31, 1961 $
Total resources	3,772,100,844	3,304,617,856
Deposits	3,236,511,175	2,753,793,573
Cash and due from banks	994,743,213	574,402,144
U. S. Govern't security holdings	783,309,237	744,436,455
Loans and discounts	1,408,815,211	1,486,209,903
Undivided profits	49,847,169	46,717,989

* * *

Industrial Bank of Commerce New York began operations as the **Bank of Commerce,** June 30 under its recently granted commercial bank charter which became effective June 30, Walter E. Kolb, President, announced June 29.

The application for the new charter under the title of Bank of Commerce was approved by Oren Root, State Superintendent of Banks.

* * *

THE HANOVER BANK, NEW YORK

	Jun. 30, 1961 $	Mar. 31, 1961 $
Total resources	2,022,805,712	1,832,482,276
Deposits	1,747,900,510	1,562,805,283
Cash and due from banks	478,815,289	363,347,697
U. S. Govern't security holdings	451,223,812	387,620,081
Loans and discounts	965,986,029	948,518,931
Undivided profits	39,794,561	37,850,081

* * *

THE MARINE MIDLAND TRUST COMPANY, NEW YORK

	Jun. 30, '61 $	Mar. 31, '61 $
Total resources	748,176,995	633,354,255
Deposits	647,042,951	534,855,102
Cash and due from banks	198,878,628	123,657,455
U. S. Government security holdings	155,901,995	133,883,106
Loans & discounts	343,829,452	325,330,417
Undivided profits	18,562,741	17,877,513

* * *

THE BANK OF NEW YORK

	Jun. 30, '61 $	Mar. 31, '61 $
Total resources	628,779,888	549,699,756
Deposits	535,490,131	457,503,858
Cash and due from banks	175,831,561	115,313,885
U. S. Government security holdings	108,783,875	107,448,102
Loans & discounts	289,333,672	261,240,731
Undivided profits	10,093,625	9,772,650

* * *

Ninety-five years ago, **The Lincoln Savings Bank of Brooklyn, N. Y.** was organized to "provide families of modest income a safe depository for their savings."

The opening on June 30, 1866 was in a small store on Montrose Avenue in the old Williamsburgh section of Brooklyn, where 31 accounts were opened with total deposits of $4,318.30. Today, over 310,000 depositors have entrusted $587,108,000 to this institution which has total resources of over $660,000,000.

* * *

The Board of Directors of the **Worcester County National Bank, Worcester, Mass.,** elected Wilbur E. Bacon to Assistant Vice-President from Assistant Cashier.

* * *

The Board of Directors of **Trust** Company of Morris County, Morristown, N. J. appointed William K. Kurz as Assistant Secretary and Assistant Treasurer, June 30.

* * *

The National State Bank of Newark, N. J. announced July 5 the appointment of Owen F. Riley as a Vice-President.

* * *

THE FIRST NATIONAL BANK OF PASSAIC, NEW JERSEY

	Jun. 30, '61 $	Apr. 12, '61 $
Total resources	243,112,041	235,483,668
Deposits	220,112,139	212,620,134
Cash and due from banks	30,928,604	33,868,880
U. S. Government security holdings	47,986,567	42,399,003
Loans & discounts	126,219,831	120,863,162
Undivided profits	4,637,275	4,500,652

* * *

The Board of Directors, **Pittsburgh National Bank, Pittsburgh, Pa.** has announced that Malcolm E. Lambing has been elected Executive Vice-President of the Bank; Philip K. Kerr has been named Chairman, Trust Committee; and Robert D. Ferguson has been elected Senior Vice-President.

Mr. Lambing joined the Bank in 1931. He was elected Investment Officer in 1936 and Vice-President in charge of the Investment Division in 1945. He was elected Senior Vice-President in 1959.

Mr. Herr has been with Pittsburgh National and predecessor Banks since 1924. He was elected Senior Vice-President and Director of the Bank in 1959.

Mr. Ferguson, became associated with the Bank in 1943 as Vice-President, Trust Division.

* * *

Frederick K. Hogg has been appointed Assistant Vice-President in the Trust Department of **Mellon National Bank and Trust Co., Pittsburgh, Pa.**

* * *

The Bank of McKees Rocks, 602 Chartiers Avenue, on July 1 became the 28th community office of **Western Pennsylvania National Bank, Pittsburgh, Pa.** according to M. A. Cancelliere, President of WPNB.

Samuel Werlinich, President of the Bank of McKees Rocks, will become Chairman of the McKees Rocks Advisory Board.

Other members of the Board will be William A. Calvert, Harry A. Irwin, Samuel M. Pasquarelli, Thomas A. Stayduhar, Dr. Willard F. Tannehill,

Mr. Irwin has been named Vice-President and Manager of the new community office.

The Bank of McKees Rocks was established in 1901, and had total resources of approximately $10,000,000.

* * *

C. Harry Boschen, Assistant Treasurer in charge of the **County Trust Co.** office by the New York Central Railroad Station in Mount Vernon, completed 25 years of service with the Bank July 1.

* * *

Bank of Commerce Inc., Washington, District of Columbia, increased its common capital stock from $800,000 to $1,000,000 by the sale of new stock effective March 7. (Number of shares outstanding 10,000 shares, par value $100.)

* * *

The common capital stock of **The North Shore National Bank of Chicago, Chicago, Ill.,** was increased from $1,000,000 to $1,100,000 by a stock dividend effective June 21 (Number of shares outstanding 110,000 shares, par value $10.)

* * *

The Illinois National Bank of Springfield, Springfield, Ill., increased its common capital stock from $1,200,000 to $1,320,000 by a stock dividend effective June 19. (Number of shares outstanding 132,000 shares, par value $10.)

* * *

By a stock dividend, the common capital stock of **The First National Bank of Anniston, Anniston, Ala.,** was increased from $750,000 to $1,000,000 effective June 19. (Number of shares outstanding 40,000 shares, par value $25.)

* * *

The common capital stock of the **First National Bank in Mansfield, Mansfield, La.,** was increased from $300,000 to $350,000 by a stock dividend and from $350,000 to $400,000 by the sale of new stock effective June 23. (Number of shares outstanding 16,000 shares, par value $25.)

* * *

By a stock dividend of the **First Security Bank of Idaho, National Association, Boise, Idaho,** increased its common capital stock from $5,500,000 to $6,500,000 effective June 20. (Number of shares outstanding 65,000 shares, par value $100.)

AS WE SEE IT

Continued from page 1

it profitable for foreign producers to enter this market, not as exporters to this country but as producers here behind the tariff walls.

The Real Problem

Foreigners can, of course, still set themselves up in business as producers in this country, but in that event they must now pay the same high labor costs that are required of domestic producers. The problem now confronting American producers is, therefore, no longer so much the kind of competition that would be engendered by foreign producers moving in behind our tariff walls, as it is in meeting the competition that foreign concerns (many of them operating modern plants built since the war with funds provided by United States taxpayers) which are not subject to the exactions of the monopolistic organizations of wage earners in this country. There are instances where this problem has become quite acute in recent years. The wage earner is, of course, quite obviously unable to move in upon foreign factory owners and operators.

As might be expected, the migration of capital for the purpose of avoiding this type of difficulty is now in a direction opposite to that of years past. Now it is American capital which is moving into foreign countries, not to escape tariff duties so much as to find a locus where they can produce at costs competitive with foreign producers —and thus be able to share more fully in the markets abroad where now we find ourselves under severe handicaps. Here we have a development that is analogous to the registration of American owned ships under foreign flags in order to operate in one of the most competitive areas in the world. The two are different only in technicalities. The basic principles are identical.

No Solutions

Let no one suppose that the tariffs imposed on most of our imports and the other restrictions, the subsidies paid to ships flying our flags, the device of registering under foreign flags, or the fleeing of our industry to countries where it is able to keep labor costs within reason — let no one suppose that any of these devices or stratagems provide any real solution for the economic problems involved, whatever they may do to enable individual companies to keep going or to increase profits. In any and all the cases someone, usually the ultimate consumer, is required to pay the fiddler. Tariffs imposed on the import of foreign goods must be paid by someone in the form of higher prices. Ships and other enterprises which enjoy subsidies are able to provide their services at less than they could otherwise, but someone, the taxpayer of course, must make up the difference.

The economically ideal system is, of course, one in which the production of goods is apportioned among the peoples of the world by the market place. But such a system involves refusal to interfere with free markets by the imposition of tariffs or other restrictions. We should then have the good things of life made and distributed by those most capable of doing so at the lowest possible cost. Of course, no one expects in this day and time that any such ideal system will be permitted to operate. International rivalries and the dangers of international wars make such a system, or even one remotely like it, unattainable. It would, however, appear to be reasonably feasible for those who control international destinies, including our own government, to bear such simple facts always in mind —and resolve to deviate from the ideal only when absolutely necessary and only to

the extent that is unavoidable.

No Way to Proceed

As to the situation in the shipping industry which has been the subject of so much discussion of late, let it be said that the imposition of killing costs upon the operation of American owned ships registered abroad could solve none of our difficulties. It would in point of fact simply carry bad practices one step further and thus leave us that much further from any sort of rational economic relationship with the remainder of the world. The easy solution would, of course, be similar to that we usually come up with upon such occasions — simply pay a subsidy to the companies of sufficient size to permit them to pay the exactions now demanded by the unions. It would be quite in keeping with our procedures in other branches of business, but it would not be in the best interest of the public either here or anywhere else in the world. Moreover, substantial additions to costs of subsidized shipping could hardly fail to bring imperative demands for still larger subsidies.

With Hayden, Miller

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Matthew A. Jenkins has joined the staff of Hayden, Miller & Co., Union Commerce Building, members of the Midwest Stock Exchange. Mr. Jenkins was formerly with Saunders, Stiver & Co.

Thompson Ramo-Wooldridge Inc. Debs. Offered

Public offering of $25,000,000 Thompson Ramo-Wooldridge Inc. (Cleveland, Ohio) 5¼% debentures due 1986 is being made by an underwriting group headed by Smith, Barney & Co. Inc. and McDonald & Co. The debentures are priced at 100% and accrued interest, to yield 5.25%.

Net proceeds received from the sale will be added to the general funds of Thompson Ramo. The company plans initially to reduce outstanding Regulation V loans by substantially the same amount.

The debentures may not be optionally redeemed prior to July 1, 1966 through borrowings at an interest cost to the company of less than 5.25% per annum. Otherwise they are optionally redeemable at prices ranging from 105.25% through June 30, 1962 to 100% after June 30, 1984 plus accrued interest.

The issue has the benefit of mandatory annual sinking fund payments beginning July 1, 1965 calculated to retire 80% of the debentures prior to maturity; the company may increase the sinking fund payment in any year by an amount not exceeding the mandatory sinking fund payment.

The principal business of Thompson Ramo and its subsidiaries is the performance of research, consulting and advisory services and the manufacture of products in the missile and space and electronics fields, and the manufacture of aircraft component parts and auxiliary equipment, largely for aircraft engines, a wide range of engine and other parts for automobiles, trucks and tractors, and miscellaneous other products. The company adopted its present name in 1958 when the Ramo-Wooldridge Corp. was merged into it.

Domestic and Canadian plants owned and operated by the company and its subsidiaries are located at Cleveland, Euclid and Minerva, Ohio; Los Angeles and Orange Counties, Calif.; Watseka and Hoopeston, Ill.; Southfield, Warren and Portland, Mich.; St. Louis County, Mo.; Alliance, Neb.; Camden, N. J.; Danville, Pa., and St. Catherines and East Toronto, Ontario, Can.

Recreation Enterprises Units Sold

Pursuant to a June 29, 1961 prospectus, I. M. Simon & Co., St. Louis, publicly offered 160,000 units of Recreation Enterprises Inc., at $5 per unit. Each unit consists of one share of class A common stock and two warrants to purchase a like number of class A shares. Net proceeds, estimated at $680,000, will be used by the company for expansion and working capital.

The company of 6000 Independence Ave., Kansas City, Mo., operates a 24-lane bowling center at Kansas City and has leased a 32-lane center to be opened in that city in September 1961. In addition, the company owns the Kansas City franchise in the National Bowling League. Capitalization consists of 1,000,000 $1 par class A common and 110,000 $1 par class B common shares of which 160,000 and 110,000 shares, respectively, are now outstanding.

E. F. Hutton Adds

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—William J. Kenna, Jr. has been added to the staff of E. F. Hutton & Company, 920 Baltimore Avenue. He was formerly with Quinn & Co. of Albuquerque.

Determining Bank Mergers Will Be of Public Interest

Continued from page 1

that the small local unit bank has outlived its place in our economy.

There you are! I have tried to play the part, successively, of those who feel that the bank merger movement, unless arrested right now, will spell the doom of the free enteprise system, and those who contend that people who oppose bank mergers and cling to unit banking today are like those who opposed the internal combustion engine in 1911 and stood firmly behind the horse.

Skepticism Necessary

But let me warn that the impressive generalities on both sides must be analyzed with plenty of skepticism. For example in my earlier remarks, without speaking a word of untruth, I gave a completely false impression by failing to mention certain additional facts and by juxtaposing facts that had no valid relationship to each other. It is true that we had 30,000 banks and now have less than 15,000; it is also literally true that hundreds of independent banks disappear through merger every year. But the overwhelmingly majority of the thousands of banks that are no more, disappeared not as a part of the modern merger movement but simply because they became insolvent during the banking trouble of 30 years ago.

And look at some of the arguments I made in favor of mergers. I attempted to play on the heart by conjuring up a picture of thousands of small, inefficient banks in which feeble octogenarians were making shaky entries in handwritten ledgers, trying to put off for a few more years the inevitable liquidation. But such banks are figments, as we all know. I made no mention of the real problem of mergers among large banks fully able to afford and utilize electronic accounting and with no management succession problems. And most important, I carefully avoided any reference to the conviction of many economists that by reducing the number of competing banks in a market area we inevitably reduce also the vigor of banking competition and the general benefits to the economy that result from competition.

Well, so much for the need for skepticism; I may have spent too long on a point that preoccupies me more from year to year—the fact that truth is a most elusive commodity. What I hope to do here is to marshal, in perspective, a few relevant truths, so that when we do reach conclusions on the bank merger problem, they will be realistic evaluations rather than a hodgepodge of emotional generalities.

Reason for Mergers

Why do banks merge? In the early 30s, which is as far back as my banking memory extends, most mergers were rescue operations. A relatively strong bank absorbed a weak bank to save it from receivership or liquidation. But since the Second World War most mergers have taken place for quite different reasons. A small family-owned bank may merge with another because the President is old and has no sons willing or able to carry on. Or he may wish to obtain the more marketable stock of a larger bank. Promising young bankers may prefer the supposedly greater opportunities of an Assistant Vice-Presidency in a metropolitan bank to the Presidency of a small-town bank, or a large bank may want to obtain the services of the President of another large bank through the merger route—this is what is meant by the mouth-filling phrase "problems of management succession."

Often the initiative comes from the larger bank, the one that is absorbing the other (to judge by the size of premiums being paid for banks these days). Sometimes I suspect, the motive is unadulterated megalomania or foolish rivalry—the driving desire to be the largest bank in the city or state, not the second largest; or even a thirst for power for the sake of power.

When two relatively large banks in the same city wish to merge, they sometimes emphasize the growing importance of nationwide banking competition — the need to be able to compete with banks in New York, Chicago, and San Francisco, for example, for the deposits and loans of enormous national corporations that cannot be adequately served, we are told, by banks with only a half billion dollars of resources.

We are all acquainted with the "flight to the suburbs" in metropolitan areas, a flight residential, mercantile, and industrial. Banks stress the need to "follow their customers" away from the business district of the city; and often, we are told, it is safer and cheaper to "branch" an independent suburban or small-town bank than to create what we supervisors barbarously call a "*de novo* branch."

In very recent years electronic accounting is mentioned more and more frequently as a reason for merging. We are sometimes told that a $20 million bank, for example, cannot efficiently utilize any but the smallest of the marvelous devices we see advertised in "Banking," but that if two or three such banks merge, they can afford to buy and fully utilize full-scale equipment, to the benefit of the banks' stockholders, their customers, and the American economy.

These are some of the reasons—but only some—that are advanced to justify the hundreds of merger proposals we see every year. It would be fruitless to evaluate them generally, for they must be related to the facts of specific cases. Each of these reasons can be very appealing—especially to the superficial observer. Why should an elderly banker, who has spent a lifetime building a successful institution, be forbidden to reap the benefits of hard work and good judgment by "selling" the bank in such a way as to promote the welfare of his family? Who would oppose an arrangement under which several small banks can give superior service to customers and better returns to stockholders, while releasing manpower for other productive use? What valid objection is there to a city bank expanding geographically in order to continue to serve its entire growing metropolitan area?

Why Oppose Mergers?

The chief objection, of course, is the characteristically American notion embodied in such hackneyed but meaningful expressions as "the free enterprise system," "freedom of competition," and the like. Unlike most other countries, the United States has adopted as national policy the principle, to put it broadly and without a great many necessary qualifications, that our people will be better off, in the long run, if most areas of our economy are cultivated by a relatively large number of vigorously competing enterprises. Some observers consider this policy especially important in banking; they regard financial concentration as singularly evil because, in addition to its immediate ill effects, it tends to spawn concentration and monopoly throughout the economy.

The American banking system of thousands of independent unit banks, in cities, towns, and villages, developed from the special conditions that existed here during the nineteenth century. There was an enormous country, a constantly advancing frontier, a vigorous pioneering spirit; and the technological revolution exemplified by the assembly line lay in the future. Nineteenth-century America needed banks, not only to serve, as now, to lubricate a massive economic machine—but, more important at that time, to provide the capital that was absolutely essential for the nation's development. I think it was Preston Delano, an outstanding Comptroller of the Currency, and long my revered mentor, who remarked to me years ago that the West was built on the bones of broken banks.

But different epochs have different needs. It is unreasonable to regard the development of branch banking and group banking in the twentieth century as an accident. Besides being a nation on wheels, rolling over an incomparable network of good roads, the American people are uniquely a banking people. With far less than one-tenth of the world's population, we probably have more checking accounts than the rest of the world put together. And this simple fact is one of the many reasons for the growth of multiple-office banking: the bulk of bank customers are no longer business enterprises, located downtown.

Unless we wish to impede seriously our economic progress, we must bow to change and reality, exemplified in such developments as these. And, to a great extent, we have acknowledged the force of changed circumstances. The unprecedented growth of branch banking attests to this. In 1951 our country had less than 20,000 banking offices; today we have nearly 25,000.

Crucial Question

The crucial question is where we should strike the balance between the sometimes opposing forces of convenience, efficiency, and economy on the one side, and the less tangible long-term values of "free enterprise," "individual initiative," and "vigorous competition" on the other.

Under our governmental system, such conflicts of opposing interests — opposing benefits and detriments — are dealt with, for better or worse, by the people's representatives in government—the legislative, executive, and judicial branches, all three. In our system of government, the complexity of this process is multiplied by the fact that we have both sovereign states and a sovereign Federal Government, often with responsibilities and powers in the same areas of activity.

Each of the 50 states has banking laws and a bank supervisory system. The Federal Government has at least three. In addition, Congress has enacted antitrust laws, which apply to banking despite its status as a "regulated industry."

Bank mergers have been permissible for many years under both Federal and state laws, but these earlier laws seldom enumerate standards or objectives that should guide supervisors in permitting or prohibiting mergers. In those far-off days the supervisor's main concern was whether the continuing bank would be a sound and serviceable institution. The possible effect on banking competition was a secondary consideration.

Within the past decade "The Bank Merger Problem", in capital letters, has become a major problem—to legislators, administrators, and the public—for the first time. In 1956 Congress enacted a law to "control the future expansion" of bank holding companies, and in 1960 a law that, broadly speaking, requires the approval of one of the three federal supervisory agencies as a prerequisite to any bank merger. A number of states also have enacted laws that parallel, to a considerable extent, the philosophy embodied in the the federal legislation.

Merger Act of 1960

The Bank Merger Act of 1960 for the first time enumerated factors that federal supervisors must take into consideration in passing upon proposed mergers. The ultimate test is embodied in the statutory provision that the Comptroller, the Board of Governors, or the Federal Deposit Insurance Corporation, as the case may be, shall not approve a proposed merger "unless, after considering all factors, it finds the transaction to be in the public interst."

Seven "factors" are enumerated in the Bank Merger Act. The first six—often called "the banking factors" — are concerned with the quality of assets, adequacy of capital, competence of management, earnings prospects, and "the convenience and needs of the community to be served." Is one of the banks in a weakened condition; is this a rescue operation? Or has it mediocre and unaggressive management, so that its community is not being adequately served? Or is its only executive officer an elderly man, running a bank that cannot afford to replace him at today's salaries? Or, on the contrary, are both banks well-managed, serviceable, and with promising futures, so that there is no "banking need" for the merger? These are a few of the questions that we ask ourselves.

The seventh factor named in the Bank Merger Act is the sign of the times. It deals with the effect that the merger will have "on competition (including any tendency toward monopoly)". Those are the words of the statute; could any thing be simpler and more straightforward? As the Senate Committee that considered the Merger Act pointed out in its report, competition is "an indispensable element in a sound banking system".

It is only the application of these seven factors to actual cases—the weighing of the favorable and unfavorable aspects of a merger proposal—that is steadily increasing the consumption of tranquilizers by bank supervisory officials.

Occasionally a situation arises in which there is no practical alternative to merger — where, for one of the reasons I have suggested, a bank must either merge with another or go out of existence and deprive its community of needed services. However, the usual case is quite otherwise. There are, let us say, four banks in a small city. All are doing reasonably well, are well managed, and face no serious problems. The second largest and the smallest wish to merge. If the merger is permitted, it is contended, substantial economies and heightened efficiency will result, additional services will be offered to the banks' customers, and the combined bank will be better able to compete with the city's largest bank.

Hypothetical Problem

On the other hand, the banking public of the city, of course, would thereafter have only three alternative competing sources of banking services, both on the deposit and loan sides. That is to say, as a matter of arithmetic, the number of competing banks will drop from four to three. And it is clear from the words of the statute, read in the light of its legislative history, that if the proposed merger would lessen competition, it should not be approved unless the favorable aspects of other factors clearly outweigh the adverse "competitive factor" to the extent that the public interest would be promoted by approval.

Just for exercise, try and decide whether the amalgamation of a certain pair of banks in some four-bank city with which one is familiar, would actually increase or lessen competition, and to what extent. And after resolving that preliminary question—perhaps by deciding, as we often must, that "competition will be lessened, but it is hard to say how much"—then go on and weigh this imponderable against the benefits you guess may flow from the merger — to both the public and the banks. (But, for the purposes of this exercise, one need not bother weighing any possible benefits secretly offered to bank officers for persuading unsuspecting stockholders to vote for the merger.)

I hope bankers will run through this process, however briefly, with a real situation (other than their own!) in mind, because it will increase their tolerance toward the apparent shortcomings of supervisory decisions regarding bank mergers. We are acutely aware of these shortcomings, and we can only fervently hope that after a few more years' experience we—or our successors — will see through the merger glass a trifle less darkly.

"Right" for Different Reasons

As is generally known, during the past year bankers intent on consummating mergers have encountered serious difficulties quite apart from the apparent inability of some supervisors to make up their minds—either expeditiously, or consistently, or clearly. When state banks that are members of the Federal Reserve System, for example, propose to consolidate, it must seem to them that the course is set up like a hurdle race, with the hurdles higher and higher as they approach the finish line. Under state law, the Banking Commissioner must be persuaded to give his approval. After that obstacle has been surmounted, the awesome Federal Reserve System looms ahead. The Reserve Bank of the district investigates the proposal minutely, and then the Federal Reserve Board must decide whether the merger would "be in the public interest".

On occasion, the Reserve Board concludes that a merger would not be "in the public interest", after the State supervisor has reached the contrary conclusion. This is hard to take, I am sure, but most bankers have come to accept this risk as unavoidable, in a federal system like ours. More painful is the recent experience of certain bankers who successfully ran the gauntlet of bank supervisors, only to be challenged by the Department of Justice under the antitrust laws. These people, I am afraid, are certain that this is bureaucratic muddling run riot.

I was a lawyer before I was so unwise as to become an administrator, and as a lawyer I can say that, under the presently governing federal statutes, there seems to be no escape from this dilemma—the possibility, now an actuality, that a proposed merger is subject to the jurisdiction of coordinate departments of the federal government and that while one says "Go ahead" the other may say "Verboten". In contrast to the situation in other regulated industries, Congress has decided that bank mergers should be subject not only to the jurisdiction of the bank supervisory agencies but also to the jurisdiction of the Department of Justice and the federal courts under the antitrust laws.

Enter Sherman Act

To be painfully logical, the fact that the Comptroller of the Currency concludes that the merger of two Philadelphia banks would be "in the public interest" and the Department of Justice wants to enjoin the merger under the

Sherman Act does **not** mean that the two have reached conflicting conclusions. Under the antitrust laws, the only tests are whether a transaction tends to lessen competition or is what the law considers an attempt to monopolize. Even if the transaction admittedly would be in the public interest for other reasons, the antitrust laws may prohibit it, and it is the explicit duty of the Department of Justice to enforce those laws.

On the other hand, it is perfectly clear, under the Bank Merger Act, that the effect of a merger on competition is only one of the several factors that the bank supervisors must consider. If the FDIC, let us say, finds that a proposed merger will contribute so greatly to the convenience of a community as to outweigh the lessening of competition, from the public interest viewpoint, the FDIC is not only authorized, it is **obligated** to approve — and promptly—even though other federal agencies may have recommended adversely on the competitive factor. In short, the Department of Justice and the FDIC might assure each other: "You are absolutely right!", and yet the one would say "Yes" and the other would try to persuade the courts to say "No" to the same merger proposal.

To many people, this is an intolerable situation. They believe that if Congress considers the Federal Reserve Board, for example, competent to decide whether a merger is "in the public interest" when **all** factors are considered, this should settle the matter, and the merger should not be blocked solely on account of competitive considerations that already have been taken into account by the Board and found to be outweighed by the public-interest benefits.

Others are convinced, and not without reason, that so long as we have multiple banking systems and multiple supervisors, with differing philosophies, we will have conflicting, contradictory, and inconsistent administrative decisions. Hence, they believe that applicability of the anti-trust laws is essential if we are to avoid chaos or general disintegration of standards in the maintenance of banking competition.

Only Legislation Will Solve the Problem

There are some who hope that the courts' decisions in the pending antitrust suits regarding the Philadelphia and Lexington mergers will settle this aspect of the problem. Despite my optimistic temperament, I doubt that it can be settled otherwise than by legislation. But the litigation will have served a worthy purpose if it does no more than give bank supervisors a better concept of the relative importance of competition in deciding whether a proposed merger would promote the public interest.

In the meantime, we must deal with the merger problem as it is, under existing law. The problem, like most problems that amount to anything, is not susceptible of pat solution. It has already been enlarged and distorted, chiefly due to the absence of sufficient skepticism in analyzing the positions of people who claim that all the valid arguments are on their side.

It is my hope that all of us will profit from the sometimes painful experiences of the past year, and that the banking industry, bank supervisors and Congress will succeed in working out improved procedures that will regulate bank mergers in ways that will be truly "in the public interest." This problem can be solved if we utilize all our resources of information and intelligence, perseverance and perspective, to deal with it as one phase of our continuing effort to maintain a progressive and competitive banking system that is able and willing to meet the needs of a dynamic and expanding economy.

*An address by Mr. Robertson before the 75th Annual Convention of the Michigan Bankers Association, Mackinac Island, Mich., June 23, 1961.

THE SECURITY I LIKE BEST...

Continued from page 2

everything from electronic equipment, executive aircraft and airline ground support equipment to a dredge and construction equipment. Its list of customers includes Standard Oil Co. of Calif., Sylvania, Lockheed, Walworth Co., Space Technology Labs and Frank Shattuck Co. All of the company's leases are noncancellable, full payout net leases. This means that the total rental payable to the company will exceed the total cost to the company of acquiring the equipment (including the cost of money to finance the acquisition). The lessees pay all licenses, taxes and insurance and are also obligated to maintain and repair the equipment at their expense.

A point worth noting is that over 90% of Boothe's Leases involving gear are renewed at the expiration of the initial lease term. About 60% of all leases are renewed. Boothe's purchase options to its customers run generally between 10-15% of original cost and it should be also noted that the residual value of some of the equipment runs as much as 25% with the average near 12.5%. (The residual value is the value of the equipment at the expiration of the initial lease period. Its recovery by Boothe represents the most profitable part of the business. It is recovered either through sale of the equipment or renewal of the lease based on this value.)

The company, in acquiring the leasing operations of Producers Service Co. also acquired for the first time proprietary items. Producers Service leases to all but one major motion picture producer, bench printers, optical printers and other specialized equipment for the industry. Boothe-Western Inc., a wholly owned subsidiary is a licensed insurance broker in the State of California. The income from both Producers Service and Boothe-Western does not have any significant impact on earnings.

Credit stature, in a business where over 85% of the funds used are borrowed, is of obvious importance. It is very significant to note that Boothe's creditors include insurance companies, pension funds and banks. Recently a group, headed by the Ford Foundation, extended to the company a secured line of credit of $10,000,000 (the group includes Guardian Life, Wells-Fargo American Trust and Mass. Mutual, State Mutual Life and Continental Assurance). This line of credit in addition to its already existing line, in the form of an agreement to purchase $10 million of 6% secured notes will permit the company to undertake leases with terms of from six to ten years. Previously leases of these durations offered problems in financing. No payments of principal will be due until 1966 with Boothe having the right of collateral substitution.

Capitalization of the company consists of 347,671 common shares with a book value of $11.69 per share and $3.5 million of subordinated notes due April 3, 1969 with warrants attached giving the holder the right to buy the stock at prices ranging from $36 per share to $42 per share. Exercise of all the warrants would increase the number of outstanding shares by 5.7% and in turn bring into the company $720.000 to $840,000 depending upon when the warrants were exercised. Book value would immediately be increased to at least $13.47 or some 15%. In addition the five year average annual growth rate in per share earnings has been well in excess of the 5.7 dilution factor (39%).

The table below amply portrays the growth of the company. The 5.6% dip in earnings experience in 1960 was due to a $156 thousand non-recurring write off. After the acquisition of Federal Leasing, a lessor of business machines, it was decided that the cost of acquiring and maintaining small equipment is expensive with thin profit margins. The purchase cost of Federal was written off in 1960 but the company is confident that the loss will be recovered over the next few years. Had Boothe charged this write off directly to earned surplus 1960 earnings would have approximated $1.00 per share.

In the table below 1956 equals 100.

In conclusion it seems to me that finding a stock with Boothe's remarkable growth range selling at less than 25 times current year estimated earnings is a difficult chore. In addition the company has proven itself to be an excellent merchandiser of the product it sells—leasing and there is no reason to believe that this growth rate will do anything but continue. The stock is traded in the Over-the-Counter Market and has a relatively thin market.

	Rental Income Earned (000 omitted)	Index	Pre-tax Earnings	Index	Net Earnings	Index	Net Earnings Per Share	Index
1955.......	127	73	—47,439	—155	—28,000	—151	—.085	—147
1956.......	467	100	107,047	100	57,000	100	.16	100
1957.......	1,031	221	280,594	262	140,000	245	.40	250
1958.......	1,577	337	407,080	380	201,000	352	.57	356
1959.......	2,015	431	633,784	592	309,000	542	.88	550
1960.......	2,753	589	590,077	551	289,000	507	.83	519
1961 (est.)	3,200-3,350	...	900,000	...	435,000	...	1.25	...

Allied Planning Formed

HEMPSTEAD, N. Y. — Allied Planning Corporation is engaging in a securities business from offices at 320 Fulton Avenue.

Hugo Rothschild Opens

Hugo Rothschild is conducting a securities business from offices at 350 Broadway, New York City.

Jos. Mayr to Admit

Joseph Mayr & Company, 50 Broad Street, New York City, members of the New York Stock Exchange, on July 6th will admit Ingeborg G. Rowe to partnership.

Mesirow to Admit

CHICAGO, Ill.—Mesirow & Company, 135 South La Salle Street, members of the New York Stock Exchange, on July 6th will admit Morton G. Schamberg to limited partnership.

Form Flatto-Hess Co.

Flatto-Hess Company is engaging in a securities business from offices at 595 Madison Avenue, New York City. Partners are Frederick Flatto and Richard A. Hess.

3 With Godfrey, Hamilton

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Gerard J. Cheney, Leonard O'Donnell and John J. O'Neil, Jr. have joined the staff of Godfrey, Hamilton, Magnus & Co., Inc., 14 Newbury Street. All were formerly with Graham & King, Inc.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Tucson Gas, Electric Light & Power Company

Tucson Gas, Electric Light & Power serves a population of about 261,000 in Tucson and environs together with a rural area about 50 miles in length. The city of Tucson is an important health and tourist center, and manufacturing plants have been constructed in the area in recent years. The original economy of the area assumed the pattern of "cattle, copper, cotton and climate" (Pima cotton being the finest in the world), but in later years the aircraft and electronic industries have built plants in Tucson, and Hughes Aircraft is the city's largest employer. Tourists and retired people are encouraged by the fact that the sun shines 86% of the time, while high summer temperatures are made more comfortable by very low humidity and temperatures at night decline 30-40 degrees. The University of Arizona is located at Tucson.

Capitalization of the company at the end of 1960 was 48% long-term debt, 14% preferred stock and 38% common stock equity. The company had placed 58,000 shares of 5.10% preferred stock privately last September. The number of common shares outstanding is 2,430,000.

The company's growth record is indicated as follows:

	Revenues (Millions)	Earned on Net Property	Share Earnings*	Dividends	Approx. Price Range
1960	$23	6.2%	$1.18	$ .79	33—24
1959	20	5.9	1.15	.76	34—23
1958	17	6.1	1.02	.72	31—15
1957	15	6.6	1.06	.70	18—14
1956	14	7.5	1.01	.60	16—14
1955	12	7.3	.79	.54	16—11
1954	11	6.6	.82	.48	12— 9
1953	10	6.2	.70	.42	8— 7
1952	8	6.9	.61	.40	8— 6
1951	7	6.9	.60	.38	7— 5
1950	6	6.9	.54	.35	6— 5

*Adjusted for 2-for-1 splits in 1953 and 1959.

Since 1910 Arizona has retained its lead as the principal copper producing state, and now accounts for about half of U. S. output. Tucson has provided the electrical requirements for Silverbell mine since May 1954, Pima mine since April 1957, Duval mine since March 1959 and will provide the requirements for Mission mine, where full-scale operation is expected during late 1961. These four mines will have a combined daily ore production of 38,000 to 40,000 tons.

The record of growth in the area is impressive. During the past decade Tucson was the fastest growing city among the top 122 cities, gaining 368% in population—20 times faster than the nation as a whole. A gain of 61% is forecast for the coming decade. The probable gain in kwh sales in 1960-70 is estimated at 306% or about 15% per annum. The year 1960 showed sustained growth despite the transfer of 2,150 personnel of the 43d Wing from Davis-Monthan Air Force Base, and a reduction of 1,250 employees at Hughes Aircraft. These reductions were completely outweighed and the general economic "let-down" in the nation went almost unnoticed, as 4,000 electric and over 4,200 gas customers were added to the system.

Several major shopping centers were completed or enlarged during the year. A $16 million construction program is under way in the downtown area including a nine-story apartment building, a new 11-story office building and a part of a new city hall complex; St. Joseph's Hospital has been substantially completed. While some unemployment in the construction industry existed in March of this year, substantial improvement was forecast for the near future due to expansive activity in subdivision planning and promotion to take care of anticipated population growth. Increased construction employment was also anticipated on the installation of 18 Titan missile silos for the Air Force, for which the contract was let last November. Initial central station service was furnished to Arizona Portland Cement in November 1960; its annual kilowatt hour use is expected to exceed 50 million.

In earlier years of the past decade the company purchased a very substantial proportion of its power needs. In recent years, however, it has gradually built up its own generating capacity so that last year 786 million kwh were generated and 143 million purchased as compared with 121 million generated and 221 million purchased in 1953. The record **day's** output of electricity in 1960 was 3.7 million kwh and this was more than the average **monthly** output in 1936. Generating capability at the end of 1960 was 264,000 kw (including a 75,000 kw generator put in operation in early summer) compared with the peak load of 202,000 kw. A 100,000 kw unit will be completed in 1962.

The construction of substantial new generating capacity has caused some irregularities in the credit for interest on construction, which amounted to about 10 cents a share in 1960 compared with 17 cents in the previous year. Unlike its neighbor, Arizona Public Service, Tucson does not use "flow-through" for deferred income taxes; if it had done so in 1960 share earnings would have been increased 22 cents.

As indicated in the above table the company's return on net property account has declined from 7.5% in 1956 to 6.2% last year; and a further decrease to 5.6% in the 12 months ended March 31, 1961 has been estimated. In a statement to stockholders accompanying the March statement, President Davis said: "Our most recent studies indicate that the company must now seek an increase in its rates. Accordingly, as a prerequisite to adjustments in its electric and gas rates, an application was filed with the Arizona Corporation Commission on April 28, 1961, requesting a determination of the fair value of the company's properties and of a fair rate of return. The company is now proceeding to complete the studies necessary for the preparation of exhibits to be filed with the Commission. We do not anticipate that this work can be completed before the latter part of July. Until these studies and exhibits have been completed, we are unable to determine the amount of rate increase that will be requested."

For the 12 months ended March 31, earnings per share dipped to $1.06. At the recent over-the-counter price around 42, the stock was therefore selling at 40 times earnings—probably a record high for current P-E ratios. However, the possibility of a rate increase (Arizona is now a "fair value" state) and the probability that there will be a recovery in the interest credit on construction are probable factors in this generous appraisal. With a dividend of 80 cents, the yield is only about 1.7%.

Glass & Ross Opens

Glass & Ross, Inc. has been formed with offices at 10 East 40th St. (Room 3504), New York City, to engage in a securities business.

Officers are Donald A. Ross, President; Robert I. Glass, Vice-President; and Greta E. Emmerich, Secretary-Treasurer. All were formerly associated with Ross, Lyon & Co., Inc.

Now Tri State Secs.

Tri-State Securities Co., Inc., has been formed with offices at 2061 Broadway, New York City, to continue the investment business of Allen H. Gewirtz. Officers are Mr. Gewirtz, President; and Herbert Pollack, Secretary-Treasurer. Mr. Pollack was formerly with Bache & Co.

Commercial Banker and the Equipment Leasing Industry

Continued from page 11

quired when private capital resources are tapped.

Rapid growth companies found that leasing serves their particular need by making available productive assets without the traditional time lag encountered when dealing with private or public sources of capital and credit. Leasing provides a ready and immediate source of productive assets to fulfill the requirements necessary to complete government and private contracts. In this connection, it is interesting to note that government procurement agencies permit leasing by their contractors under their "cost plus fixed fee" contracts as a direct cost to the contractor, whereas interest on borrowed money is not permitted.

Taxes Only Postponed

While many uninformed business executives have been led to believe that leasing is a method of avoiding taxes, their rude awakening to the fact that taxes are only postponed—not avoided by means of leasing—has come as a great shock to them. However, in businesses which pay high taxes, the inability to finance corporate growth through retained earnings has encouraged companies to use leasing as a means of expansion.

Constantly rising labor costs and competition from abroad have forced companies to vigorously pursue automation which has caused the abandonment of inefficient production tools—replacing them rapidly with new labor-saving equipment. In many instances, leased equipment has been the means by which these automation programs have been made operative.

Those factors were responsible in large measure for the growth of leasing up to the present time, but what of the present? One important advantage to a growing company with a tight working capital position is that leasing permits payments to be spread over longer periods with lesser down payments than does the traditional instalment credit method. This factor is important—frequently the overriding consideration in management's decision to use the finance leasing method of acquisition.

Then too, faster write - offs of equipment costs through the acceleration offered by rental payments rather than depreciation permits a larger cash flow during the base lease term since leasing costs under a true lease are permitted as direct charges against income.

Growth Factors

Other important factors assisting in the present growth of leasing are:

(1) Leasing improves lessee's balance sheet ratios.

(2) Leasing eliminates higher echelon and capital budget committee approval required in most companies before additional equipment can be acquired.

(3) Avoidance by the lessee of "debt to worth" ratio restrictions so often required by senior lenders.

(4) The acceleration of rental payments to a final date in the foreseeable future accomplishes the lessee's avoidance of obsolescence on fixed productive assets whose depreciable life is much longer than the duration of the base lease term.

(5) And finally, the adoption by more and more manufacturing firms of the use of leasing as an important sales tool.

In our consideration of future factors in the growth of leasing we must, of course, recognize that the past and present factors previously discussed will continue to have a profound influence on leasing. Then too, we can expect keener competition among leasing companies, with many newcomers arriving on the scene. As in all competitive situations, our future leasing companies will vie with each other to offer a wider variety of leasing alternatives as new conditions appear.

Not to be outdone, many manufacturers of durable goods, for consumers as well as industry, will offer leasing as an alternate method of financing the acquisition of their products. In the retail field, once the prejudice in favor of ownership is overcome, leasing will take a more important position beside the more traditional methods of consumer insallment financing.

Finally, familiarity with equipment leasing, as it becomes more widely used, will increase its acceptance by those who traditionally shy away from new ideas.

Not Cloud Free

I'm firmly convinced that the future of leasing in our economy is bright indeed, but the distant horizons aren't entirely free of clouds. To be sure, there are certain adverse factors that might affect leasing's future growth.

For example, the adoption by certified public accounting societies of the required reporting of leasing obligations in the debt structure of lessees' financial statements might cause conventional lenders to place restrictions on the amount of such obligations a lessee company may assume.

Should future regulations of the taxing authorities limit the full deductability of rental payments under a lease obligation, the desirability of leasing might be lessened at that time. In addition, the possible elimination of any advantages of tax payments postponed through the lengthening of lease terms equal to the depreciable life of the asset could be another deterrent to a prospective lessee. Another possibility is in the situation where ownership dilution is not a factor—any future reduction in the cost of equity financing may affect the future desirability of finance leasing by virtue of this lower cost of equity financing when compared to the cost of leasing.

And of course, any elimination of permission to use the cost of leasing in government "cost plus fixed fee" contracts might possibly lessen the area of activity for finance leasing.

Having examined both sides of the coin, I feel certain that you will agree that though these adverse growth factors may, from time to time, slow the growth of leasing, the positive factors so far outweigh the negative ones that the future of leasing in our economy is well assured. It is already well entrenched—not as another financing "gimmick" but as a genuine and much needed means of obtaining intermediate term credit to fill the vacuum existing between conventional short term bank credit and the long term credit now available only in the capital markets or to strongly capitalized companies.

Having examined leasing, it would be well to briefly discuss the three distinct types of leasing companies which provide this relatively new kind of service.

Well Known Companies

The service leasing company is the oldest and most well known type. In the automotive field Ryder System, Inc. and Hertz Corp. are among the better known, with large regional, national and international operations. However, there are thousands of this type of company operating successfully on a purely local basis. In addition to automobiles and trucks, air conditioning, television, food service equipment, and vending machines are some of the types of durable equipment now being service leased by such service leasing companies.

The finance leasing company, the second type, favorably compares in equity and debt base structure with the commercial finance companies as we know them today. The interesting development in the growth of these companies is that upon entrance of the commercial finance companies in the field of finance leasing, well capitalized finance leasing companies, such as ours, have seriously entered into some of the commercial finance company activities, namely collateral lending and the financing of conditional sales contracts.

A third type of leasing company is one which is nominally capitalized and, in reality, serves the function of a money broker. The leasing service charge made by this type of company is slightly above its cost of financing. All

the financing done by this type of company is on the basis of the lessee's credit and, in most instances, with the lessee's own credit resources. This "back door" extension of credit by the lessee's own bank usually affects the lessee's credit line. For the larger amount lease transactions for excellent rated lessees, the lending institutions, other than banks, which finance this type lease are insurance companies, pension trusts and eleemosynary institutions.

The broker type leasing company, I believe, has only a limited future since it serves no economic function and acts only as a finder, bringing together, for a fee, the ultimate lessor and the lessee. A finance leasing company certainly can handle the limited amount of broker type of business available.

Impact on the Economy

That leasing has had a profound effect on our economy is clearly evident. The developing impact of leasing on marketing is no less pronounced. In ever increasing numbers, manufacturers of machinery and equipment are offering leasing as another means of marketing their product. It has been seized upon by alert management as a valuable sales tool. Indeed, those manufacturers who fail to adopt this new sales tool may find themselves at a strong competitive disadvantage. This does not mean that customers will not continue to use cash and time payment plans to acquire equipment. However, the lack of a well thought out leasing program will limit sales volume vis-a-vis those manufacturers who offer leasing as an alternate method of acquisition.

Competitively speaking, the adoption by manufacturers of a well conceived leasing plan, carefully and thoroughly presented to the sales force, will be an absolute necessity in the very near future. The success or failure of a leasing plan is dependent upon the thought and preparation given the plan and its implementation by the sales organization. Some leasing companies, ours being one of them, freely offer the services of experts to indoctrinate sales personnel in the proper presentation and use of leasing plans.

With manufacturers continuing to improve their product line over previous models, leasing, by causing more frequent reappraisal of the continued use of a piece of equipment through the various options offered to the lessee, gives the manufacturer an excellent opportunity to replace the older leased model with the presently improved one.

It is not difficult to see why finance leasing stimulates sales when used properly. Leasing makes available more lenient terms. Leasing eliminates obsolescence. Leasing conserves working capital. These considerations alone make leasing a powerful sales tool and an absolute necessity in advanced marketing today.

Leasing Obligations and the Analyst

With respect to the balance sheet treatment of leasing obligations, it would be presumptuous of me to state what should be done. Suffice it to say that financial analysts have yet to agree on any uniform treatment of lease obligations. A survey by the *Harvard Business Review* of more than 100 important lenders, such as banks and insurance companies, reveals a wide divergence of opinion in evaluating leasing obligations in the debt structure of a company. While some lenders tend to disregard the leasing obligation entirely, others place more or less emphasis on the obligation by relating it to the duration of the lease term. The longer the term, the more emphasis is placed on the lease obligation as long term debt. A three to five year lease term appears to be the dividing line between little or no emphasis versus serious consideration.

Of course, any tendency to treat a lease as a capitalized asset and liability tends to weaken the borrowing ability of the lessee. Another weakening and perhaps more important factor, is where the lending institution, in which the lessee has an established line of credit. discounts that lessee's leasing obligation. This situation only occurs when doing business with the broker type or under-financed equipment leasing company.

If manufacturers conduct their own leasing operations, working capital will be absorbed in this operation. This extension of credit by manufacturers may place them in the position of requesting bank lines to help them finance their leasing operations—or they may offer their paper to banks. In either case, this poses some interesting questions.

Since ownership of equipment is not a chartered function of a bank, the role of the banker in the field of finance equipment leasing would be the traditional one of a lender.

Although commercial banks traditionally have been suppliers of short-term credit, with the advent of installment credit financing and term loans to business, an increasing number of aggressive and forward looking banks have allocated a portion of their resources to be used for intermediate term credit.

Value to Banks

The opportunity of acquiring additional income and other benefits through the discounting of lease obligations is just another reason why commercial banks should seriously consider engaging in this ever-growing field of intermediate credit. Furthermore, by virtue of finance leasing companies competition with the bank's own customers, the banks, to maintain their present customer relationships, will be forced to extend more intermediate term credit than they have previously.

During the comparatively short history of finance leasing, commercial banks have been the chief source of funds for leasing companies. As leasing companies become better established, their operations will be financed to a greater degree by long-term credit such as debentures. At that time the bankers' role will still be important, but will be relegated to the part they now play in their present commercial finance company relationships.

It is believed that long-term credit provided by insurance companies, investment bankers, charitable foundations, trusts and pension funds as well as well-capitalized manufacturers to their own leasing subsidiaries, will represent at least 50% of the term credit base of leasing companies. This does not mean that banks will not continue to play an important role in the future financing of leasing companies, but rather that the banks' loan volume could possibly reach a "steady state" some time in the future. An analogy of this situation would be to compare the relationship of the banks with the leasing companies in the light of the present day relationship of the banks with the commercial finance companies.

These thoughts are presented to demonstrate that there are vast opportunities for banks to extend intermediate term credit to leasing companies. Those banks who choose to ignore this opportunity at present, will have to seriously reconsider this matter in the very near future if they wish to protect and augment their present high rate of earnings.

The mechanics of lease discounting by banking institutions are reasonably simple. There already have been well defined procedures developed by the banks now participating in this activity. Most banks treat the discounting of leases in the same manner as conditional sales contracts. In fact, in many states leases containing various option features must be treated as conditional sales contracts, requiring the same filing procedures to be performed to guard against attack by third party creditors. Some banking institutions, in addition to accepting the assignment of the right to receive the rentals that grow under the lease, file a chattel mortgage on the leased equipment as additional protection. Other banks are satisfied with just an assignment of the lessor's "right, title and interest" in the lease instrument.

Indirect Collections by Banks

Depending on the financial responsibility of the discounting lessor, indirect collections of the rentals may be permitted by the bank. However, the bank usually has the rental payments remitted to it directly with the differential between the discount rate and the leasing service charge credited to the lessor's account after crediting the loan with the appropriate amount of principal repayment. The latter method of collecting rentals is an added advantage to the bank since it increases the bank's deposits, as well as exposing the bank to direct contact with the lessee, thereby providing to the bank all of the collateral advantages gained from a new or continued customer relationship.

Since the bank always retains the right of rejection of the credit of any lessee offered by a leasing company for discounting, recourse to the lessor may or may not be desirable. The additional factors of safety and ease of collection enhanced by the requirement of recourse may be offset by limiting the amount of business that can be accepted by a bank from any one source where recourse is required. Installment credit departments of banks face this dilemma daily in their discounting of the conditional sales contracts from such sources as automobile and appliance dealers.

Any commercial bank now acquiring retail installment credit paper on an indirect basis is a natural candidate to augment its installment credit volume through the discounting of leasing obligations. Record keeping, underlying agreements as well as the procedure for checking and policing credits are practically the same for leasing contracts as for conditional sales contracts. For those banks only operating on a direct basis in their installment credit departments, no radical departure from their present routine installment credit operations is necessary to discount leases. Only the acceptance of the philosophy of doing indirect business must be adopted.

Credit Line Approach

For those banks who do not wish to use their installment credit departments for this type of business, the commercial loan department could readily conduct it by either offering a credit line to well-financed leasing companies, capable of conducting periodic clean-ups of their loan obligations, with or without an assignment of the leases as collateral. Also, in instances where the individual leasing transaction is large enough, the transaction may be discounted by using the assignment of the lease as collateral plus whatever other protective measures are required, including receiving the rental payments directly. The differential, in all these methods, between the principal reduction, discount charge and the leasing service charge would be periodically remitted to the lessor.

The discounting of leasing obligations creates collateral benefits to the bank in addition to being a source of income. When a bank conducts a lease discounting operation with a lessor conducting a local business, this bank is presented with the opportunity to develop new banking relationships as well as having available intimate knowledge of the overall financial commitments of its customer. Local automobile and truck leasing companies would be prime examples of a leasing business conducted on a local basis.

Although I am not an unbiased observer, I have tried to give an honest appraisal of equipment leasing. I believe that equipment leasing has great promise as a financing and marketing device. It is no economic cure-all. Used wisely, however, it will do more to counter the deterioration of our industrial strength through obsolescence than any thing currently on the economic horizon. Used wisely, it will, through plant modernization and automation, restore the world-wide competitive advantage that traditionally has been ours.

Commercial bankers are as interested as anybody in the resurgence of American industry. With their help that process can be speeded—and in so doing, banks will be among the prime beneficiaries of a revitalized economy.

*An address by Mr. Boneparth at 5th Annual Instalment Credit Seminar, Alabama Bankers Association, Point Clear, Alabama.

Geriatric Pharmaceutical Stock All Sold

T. M. Kirsch Co., New York City, reports that the recent public offering of 65,000 shares of Geriatric Pharmaceutical Corp., at $4 per share was all sold. Of the total, 58,500 shares were offered for the account of the company and 6,500 for the underwriter. Net proceeds, estimated at $158,550, will be used by the company for the development of a new preparation, for additional advertising and for working capital.

The company, of 45 Commonwealth Blvd., Bellerose, N. Y., was organized in New York State on Apr. 22, 1953 for the purpose of engaging in the distribution and sale of geriatric pharmaceuticals. Of its 11 products, the company has developed nine preparations and is the exclusive licensee for the remaining two. Authorized stock consists of 500,000 10-cent-par common shares of which 132,000 are now outstanding.

Decitron Elect. Common Offered

M. L. Lee & Co., Inc., New York City, is publicly offering today (July 6) 50,000 common shares of Decitron Electronics Corp., at $2 per share. Of the total, 30,000 shares are being sold for the account of the company and 20,000 for certain stockholders. Net proceeds, estimated at $50,000, will be used by the company for research and development, and working capital.

The company of 850 Shepherd Ave., Brooklyn, N. Y., is in the business of designing, engineering, manufacturing and selling electronic equipment for the U. S. Government. Authorized capitalization consists of $113,400 5¼% convertible subordinate debentures due June 30, 1970 and 600,000 shares of common stock (par one cent) of which 98,550 and 268,000 shares respectively will be outstanding on completion of this sale.

Byllesby Names Easton

CHICAGO, Ill.—Edwin A. Easton has been named secretary of H. M. Byllesby and Company Incorporated, 135 South La Salle Street, members of the Midwest Stock Exchange.

Standard Brands Paint Common Sale

Sutro Bros. & Co. and Allen & Co. are joint managers of an underwriting syndicate which is making the initial public sale of the 350,000 common shares of Standard Brands Paint Co. at $14 per share.

Net proceeds from the financing will be used to pay the present owners of 96% of the company's stock for that stock; to pay the remaining outstanding balance of debt owed to a predecessor company; to retire the company's presently outstanding 8% debentures; to retire other debt; to pay for the purchase of the remaining 4% of the stock of the company from its employees and others; and for general funds of the company, of which $170,000 will subsequently be used for the construction of two new stores.

The company, of 4300 W. 190th St., Torrance, Calif., operates 15 retail paint stores in a like number of communities in southern California. All of the stores are supplied by company owned trailer trucks from the main plant warehouse in Torrance, Calif. The company manufactures a complete line of paints for interior and exterior home decorating. It also sells in its own retail outlets, linoleum, floor tile, wallpaper, window shutters, steel ladders, rollers, brushes, imported bamboo blinds and a line of accessories and items used in decorating the interior and exterior of residential and commercial buildings.

For the 12 months ended Sept. 30, 1960 the company had net sales of $11,904,708 and net earnings of $520,119. Upon completion of the current financing, outstanding capitalization of the company will consist of $3,310,579 of sundry debt and 520,000 shares of common stock.

Data Processing Stock All Sold

The offering of 75,000 shares of class A common stock of Data Processing, Inc., at $4 per share, by First Weber Securities Corp., has been oversubscribed and the books closed. The securities were offered as a speculation.

Net proceeds from the financing will be used by the company for the purchase or construction of a computer and a memory unit; for research and development of new computer programs; for expanded advertising and sales promotion; and for training personnel.

Data Processing, Inc., Waltham, Mass., is engaged in the research, design and development of advanced digital computer programs. These programs are primarily in the areas of scientific programming, operations research, advanced logical programs, and advanced business programs. The company sells its programs and services to the government, to computer manufacturers, to firms having their own computers, and to companies seeking programs designed to utilize the potentialities of modern computers.

For the three months ended March 31, 1961, the company had net sales of $35,797. Upon completion of current financing, outstanding capitalization will consist of 95,000 shares of class A and 115,000 shares of class B common stock.

Selected Secs. Inc.

WASHINGTON, D. C. — Selected Securities, Incorporated, has been formed with offices at 1025 Connecticut Ave. Everell K. Burgess is President of the firm; John D. Bower is Vice-President, and B. Guerry Moore, Secretary-Treasurer.

STATE OF TRADE AND INDUSTRY

Continued from page 9

ders for July came in at a rate that indicates July will show no more than a 10% drop from June. Steel people have been saying this right along, but with private misgivings. If there had been no late rally, July could have fallen flat, the magazine says.

Metalworking's Orders for Capital Equipment to Rise in Second Half Says "STEEL"

The metalworking industry plans to order $2.2 billion worth of capital equipment during the second half, up 4% from the volume pledged during the first six months, *Steel* magazine predicted.

Its survey of plants that purchase one-third of all the capital equipment bought by metalworking shows that hesitancy by industry over government action on depreciation reform is a major reason why spending plans are not higher.

Metalworking managers point out that the Treasury Department's tax incentive proposal falls far short of providing any real incentive for investment in modern equipment.

One man calls the plan "tangled taxmanship." Others doubt the political advantage of the move, since probably no action by the Kennedy administration has received more criticism from businessmen — and the move has caused no marked reaction for or against in most other quarters, including organized labor.

An earlier survey by *Steel* found that the industry would spend, over the next two years, $550 million more for capital equipment than it presently plans to shell out if effective depreciation reform were enacted.

Steelmakers are leading the equipment spending uptrend. *Steel's* survey (respondents included 21 steelmakers representing two-thirds of the nation's capacity) indicates the industry will order 10% more equipment (in dollar volume) during the second half than it did in the first six months.

The emphasis continues to be on nonsteelmaking types of facilities—such as equipment for material handling, testing and inspection, and information processing.

Steel output in the week ending July 8 will decline for the sixth consecutive time — partly because of the July 4 holiday. *Steel* estimates the industry poured 1,970,000 ingot tons last week. Production was equivalent to 69% of 1960 capacity.

Steelmakers are viewing the seasonal dip in operations as a brief interruption—not a reversal—of the trend toward higher operations, the magazine says. Operations have dropped only four points in the last five weeks.

They're confident that sales and shipments will decline only slightly in July and that orders will start climbing again next month.

Prices of export steel and raw materials used for steelmaking are being watched.

Although a major steel producer withdrew its published prices on semifinished steel for export—particularly blooms, billets, and slabs—other producers have not announced similar action. The move is said to reflect sharp competition with foreign and U. S. steelmakers in the world markets.

In spite of the rising price of tin, steelmakers say they don't believe shortages of the metal will curtail their production of tin plate. Tin has jumped about 10 cents a pound in the last two weeks.

The downturn in scrap prices continues. *Steel's* composite price on No. 1 heavy melting grade declined another 83 cents to $37 a gross ton. Vacation curtailments at steelmaking plants are cutting usage, and export movement is slower.

Steel Production Data for the Week Ended July 1

According to data compiled by the American Iron and Steel Institute, production for week ended July1, 1961, was 1,925,000 tons (*103.3%), 2.7% under output of 1,978,000 tons (*106.2%) in the week ended June 24.

Production this year through July 1 amounted to 45,071,000 tons (*93.1%) tons or 25.4% below the 60,386,000 tons (*124.7%) in the period through June 24, 1960.

The institute concludes with Index of Ingot Production by Districts, for week ended July 1, 1961, as follows

	*Index of Ingot Production for Week Ending July 1, 1961
North East Coast	102
Buffalo	84
Pittsburgh	86
Youngstown	90
Cleveland	122
Detroit	132
Chicago	115
Cincinnati	107
St. Louis	87
Southern	113
Western	120
Total industry	103.3

*Index of production based on average weekly production for 1957-1959.

U. S. Car Production Exceeds Output of Same 1960 Period For First Time

This week, for the first time in 1961, U. S. passenger car production exceeded output for a comparable 1960 period, *Ward's Automotive Reports* said.

The statistical agency also said that total June production, which it estimated at 562,000, represented the best month for the industry this year. The rise was 3.5% over 542,303 units turned out in May, and trailed the same month of last year by only 8.3%. May was 11.3% behind the same month of 1960, April 23.4%, and the first quarter showed 1961 trailing 1960 by 41.2%.

Ward's said that this week's output of 126,389 was off fractionally from 128,216 cars turned out in the previous week, but a full 1% above 125,868 autos produced in the same week of a year ago.

Truck making also climbed over the year-ago level, rising to 25,323 for the five-day period ending June 30. Gaining some 6% over 23,825 trucks for a like session last year, it was also more than 10% above the 22,906 produced last week.

The reporting service said that only one car making plant was idled for the week, Ford Motor Co.'s St. Louis facility, which will also be on vacation next week. Ford closed plants at Dearborn, Wayne and Wixom, (Mich.) for one day only, but extended its program at San Jose, Calif. to Saturday overtime.

Studebaker-Packard, which announced it had concluded 1961 model assembly last Wednesday and would begin 1962 production Aug. 7, cleared the last 102 units from its South Bend facility during the week to be exported.

This week, most car making factories were scheduled to be closed Monday and Tuesday to afford workers a long Independence Day holiday. Ford Motor Co., however operated at Atlanta, Kansas City, Lorain, (Ohio), Los Angeles and San Jose on Monday. Eleven other Ford plants were closed until Wednesday.

Chrysler Corp. scheduled Monday pre-holiday shifts at its Hamtramck plant, making small Dodge and Plymouth cars, and at its Warren, Mich., truck works. American Motors, at Kenosha, (Wis.), and at least four combination assembly plants of General Motors' Buick, Oldsmobile and Pontiac divisions also worked on Monday.

Of this week's output, General Motors accounted for 50.4%; Ford Motor Co. 29.6%; Chrysler Corp. 12.2%; American Motors Corp. 7.8%.

Business Failures Turn Up in Pre-Holiday Week

Commercial and industrial failures rose to 326 in the week ended June 29 from 307 in the preceding week, reported Dun & Bradstreet, Inc. This upturn lifted casualties considerably above the 278 in the comparable week last year and the 244 in 1959. As well, some 23% more businesses failed than in prewar 1939 when 264 occurred.

Liabilities in excess of $100,000 were involved in 45 of the week's failures, climbing from 31 in the previous week and 34 a year ago. Casualties with liabilities under $100,000 also increased, turning up to 281 from 276 last week and 244 in 1960.

The week's increase was concentrated in retail trade, where the toll mounted to 175 from 164, and in manufacturing, up to 56 from 42. In wholesaling, on the other hand, casualties held steady at 27, while the toll among construction contractors dipped to 45 from 46, and among service concerns to 23 from 28. Mortality was heavier than last year in all lines except construction and service, with the sharpest upswing from 1960 levels appearing in manufacturing.

Four geographic regions accounted for all of the week-to-week rise in failures. Casualties in the East North Central States jumped to 72 from 58, in the West North Central to 17 from 12, in the South Atlantic to 38 from 30 and in the Pacific to 88 from 63. In contrast, five regions reported declines during the week, with the most noticeable drop in the Middle Atlantic States where 76 concerns failed as against 99 in the previous week. Year-to-year trends also were mixed; the same four regions suffered considerably more casualties than in 1960 whereas the other five had slightly fewer failures than a year earlier.

Canadian failures climbed to 54 from 38 in the preceding week and 32 in the similar week of last year.

Electric Output 3.7% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 1, was estimated at 15,183,000,000 kwh. according to the Edison Electric Institute. Output was 313,000,000 kwh. above that of the previous week's total of 14,870,000,000 kwh. and 537,000,000 kwh., or 3.7% above that of the comparable 1960 week.

Lumber Shipments Were 3.9% Behind 1960 Volume

Lumber production in the United States in the week ended June 24, totaled 240,648,000 board feet compared with 240,668,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 243,035,000 board feet.

Compared with 1960 levels output dropped 3.9%, shipments were down 3.9%, and orders rose 1.5%.

Following are the figures in thousands of board feet for the weeks indicated:

	June 24 1961	June 17 1961	June 25 1960
Production	240,648	240,668	243,035
Shipments	236,844	239,124	246,428
Unfilled orders	250,953	239,336	247,249

Freight Car Loadings for June 24 Week Decreased Four-Tenths Of One Per Cent Below Preceding Week

Loading of revenue freight in the week ended June 24, totaled 600,001 cars, the Association of American Railroads announced. This was a decrease of 2,152 cars or four-tenths of one per cent below the preceding week.

The loadings represented a decrease of 41,336 cars or 6.4% below the corresponding week in 1960, and a decrease of 97,796 cars or 14% below the corresponding week in 1959.

There were 12,502 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended June 17, 1961 (which were included in that week's over-all total). This was an increase of 1,406 cars or 12.7% above the corresponding week of 1960 and an increase of 3,362 cars or 36.8% above the 1959 week.

Cumulative piggyback loadings for the first 24 weeks of 1961 totaled 262,466 for an increase of 9,060 cars or 3.6% above the corresponding period of 1960 and 76,704 cars or 41.3% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 53 one year ago and 49 in the corresponding week in 1959.

Intercity Truck Tonnage for Week Ending June 24 Was 1.2% Above Same 1960 Week

Intercity truck tonnage in the week ended June 24, was 1.2% ahead of the volume in the corresponding week of 1960, the American Trucking Associations, Inc., announced. Truck tonnage was one half of one per cent—or 0.5%—below that of the previous week of this year. This is the second successive week in which truck tonnage led that of the previous year. The last two weeks have been the first periods unaffected by the occurrence of holidays or unusual weather conditions, in which 1961 traffic has led that of a year ago.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 20 localities. Fourteen points reflected tonnage decreases from the 1960 level. Truck terminals at Indianapolis, Kansas City and Denver showed gains of more than 10%. Terminals at two other cities—Louisville and Birmingham—also registered sizable tonnage increases, 9.5% and 9.4%, respectively. Of those points showing decreased traffic, only Pittsburgh terminals reflected a drop of as much as 10%.

Compared to the immediately preceding week, 12 reporting metropolitan areas registered increased tonnage, while 22 areas showed tonnage decreases. Truck terminals at Kansas City and Louisville also reflected notable week-to-week tonnage gains of 9.9% and 7.6%.

Wholesale Commodity Price Index Comes Close to 1961 High

Price increases on grains, flour, lard, hogs, lambs and hides offset declines on rubber, tin and steel scrap this week boosting the daily wholesale commodity price index up to 271.71 (1930-32=100), which was just a fraction below the 1961 high of 271.72 set on March 21. A week earlier the index was 269.96 and on the corresponding date last year it stood at 271.39.

Wholesale Food Price Index Rises For Second Week in a Row

For the second week in a row, the wholesale food price index, compiled by Dun & Bradstreet, Inc., advanced this week, and it was up fractionally from a year ago. On July 3 the index stood at $5.94, for an increase of 0.7% from the $5.90 of both the prior week and the similar date a year ago.

Commodities quoted higher in wholesale cost this week were wheat, corn, rye, bellies, lard, cottonseed oil, cocoa, eggs and hogs. Lower in price were hams, sugar and potatoes.

The Dun & Bradstreet, Inc. wholesale Food price index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Summer Clearances Help Retail Trade for Week Ending June 28

Although some unseasonably cool weather in some areas cut into gains this week, extensive reduced-price clearance sales promotions on summer merchandise helped over-all retail trade in the week ended Wednesday, June 28, match a week earlier and somewhat exceed a year ago. Volume in women's apparel, furniture, air coolers and food products showed year-to-year increases, but sales of major appliances, new passenger cars, men's apparel, floor coverings and linens were down slightly.

The total dollar volume of retail trade in the week ended this Wednesday was unchanged to 4% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1960 levels by the following percentages: Middle Atlantic +2 to +6; East North Central +1 to +5; West North Central and East South Central 0 to +4; South Atlantic, Mountain and Pacific Coast —1 to +3; New England and West South Central —2 to +2.

Nationwide Department Store Sales Increased 2% Above The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended June 24, 1961, showed an increase of 2% for the like period last year. For the week ended June 17, an increase of 12.8% was reported. The four-week period ended June 24, 1961, sales advanced 4% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended June 24, sales were 3% above the same period last year. In the preceding week ended June 17, sales showed an 8% increase over the same period last year. For the four weeks ending June 24 a 5% increase was reported above the 1960 period, while from Jan. 1 to June 24 showed a 2% increase over last year's sales.

Now With Reynolds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Walter S. Chapin has become affiliated with Reynolds & Co., 125 High Street. He was formerly with Hemphill, Noyes & Co. and Goodbody & Co.

Form Assoc. Underwriters

LITTLE ROCK, Ark.—Associates Underwriters, Inc. has been formed with offices at 3625 Lee Avenue to engage in a securities business. Officers are Aychel D. Barnett, President; Archie J. Coates, Secretary-Treasurer, and Aubrey L. Andrews, Vice-president and Director.

Teller Co. Incorporates

PHILADELPHIA, Pa. — Albert Teller & Co., 123 South Broad St., is now doing business as a corporation. Officers are Albert Teller, President and Treasurer; Peter L. Cardamone, Assistant Secretary; and James T. Hogan, Secretary. Mr. Teller was formerly proprietor of Albert Teller & Co., with which the other officers were associated.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	July 8	66.0	68.0	70.0	42.7
Equivalent to—					
Steel ingots and castings (net tons)	July 8	1,925,000	1,978,000	2,052,000	1,218,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	June 23	7,096,760	7,105,260	7,054,410	6,803,010
Crude runs to stills—daily average (bbls.)	June 23	7,865,000	8,224,000	8,049,000	8,231,000
Gasoline output (bbls.)	June 23	27,275,000	30,714,000	29,089,000	29,055,000
Kerosene output (bbls.)	June 23	2,276,000	2,315,000	1,741,000	2,223,000
Distillate fuel oil output (bbls.)	June 23	11,925,000	12,745,000	12,952,000	12,688,000
Residual fuel oil output (bbls.)	June 23	5,395,000	5,824,000	5,922,000	6,106,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	June 23	203,399,000	207,682,000	210,493,000	203,242,000
Kerosene (bbls.) at	June 23	29,580,000	29,211,000	27,154,000	27,583,000
Distillate fuel oil (bbls.) at	June 23	105,956,000	102,666,000	90,259,000	106,887,000
Residual fuel oil (bbls.) at	June 23	46,091,000	45,175,000	44,039,000	40,592,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	June 24	600,001	602,153	578,767	641,337
Revenue freight received from connections (no. of cars)	June 24	493,285	494,064	495,925	535,815
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	June 29	$456,700,000	$469,600,000	$399,900,000	$686,400,000
Private construction	June 29	177,200,000	228,800,000	225,400,000	298,300,000
Public construction	June 29	279,500,000	240,800,000	174,500,000	388,100,000
State and municipal	June 29	230,800,000	177,600,000	138,000,000	235,900,000
Federal	June 29	48,700,000	63,200,000	36,500,000	152,200,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	June 24	8,970,000	*9,065,000	8,130,000	9,022,000
Pennsylvania anthracite (tons)	June 24	408,000	382,000	308,000	460,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	June 24	127	*159	137	124
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 1	15,183,000	14,870,000	13,887,000	14,646,000
FAILURES (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET, INC.	June 29	326	307	254	278
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	June 27	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	June 27	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	June 27	$37.17	$37.83	$36.83	$31.00
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	June 28	30.660c	30.600c	30.625c	32.600c
Export refinery at	June 28	28.350c	28.125c	30.025c	31.275c
Lead (New York) at	June 28	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	June 28	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	June 28	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	June 28	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	June 28	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	June 28	119.125c	117.000c	111.125c	101.625c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 4	87.58	87.23	87.96	86.61
Average corporate	July 4	86.65	86.78	87.45	85.07
Aaa	July 4	90.48	90.91	91.77	89.64
Aa	July 4	88.95	88.95	89.78	87.59
A	July 4	85.85	85.98	86.51	84.81
Baa	July 4	81.54	81.78	82.03	78.90
Railroad Group	July 4	84.17	84.30	84.81	82.90
Public Utilities Group	July 4	87.99	88.27	88.81	85.46
Industrials Group	July 4	87.72	87.86	88.81	86.91
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 4	3.87	3.92	3.82	3.88
Average corporate	July 4	4.66	4.65	4.60	4.78
Aaa	July 4	4.38	4.35	4.29	4.44
Aa	July 4	4.49	4.49	4.43	4.59
A	July 4	4.72	4.71	4.67	4.80
Baa	July 4	5.06	5.04	5.02	5.28
Railroad Group	July 4	4.85	4.84	4.80	4.95
Public Utilities Group	July 4	4.56	4.54	4.50	4.75
Industrials Group	July 4	4.58	4.57	4.50	4.64
MOODY'S COMMODITY INDEX	July 4	372.0	369.2	368.9	378.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	June 24	338,921	303,272	320,360	314,504
Production (tons)	June 24	336,864	325,848	331,806	323,223
Percentage of activity	June 24	95	92	93	94
Unfilled orders (tons) at end of period	June 24	451,761	444,833	432,421	435,798
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	June 30	113.63	113.56	113.46	110.21
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	June 9	3,109,370	1,930,660	3,954,200	2,875,840
Short sales	June 9	485,410	340,590	656,730	570,430
Other sales	June 9	2,547,980	1,476,490	3,298,410	2,420,740
Total sales	June 9	3,033,390	1,817,080	3,955,140	2,991,170
Other transactions initiated off the floor—					
Total purchases	June 9	488,280	237,760	705,800	466,660
Short sales	June 9	42,600	14,300	64,100	63,500
Other sales	June 9	440,210	213,020	638,360	393,580
Total sales	June 9	482,810	227,320	702,460	457,080
Other transactions initiated on the floor—					
Total purchases	June 9	982,652	528,911	1,265,891	861,976
Short sales	June 9	120,230	37,720	197,210	141,970
Other sales	June 9	831,986	489,526	1,215,333	873,855
Total sales	June 9	952,126	527,246	1,412,543	1,015,825
Total round-lot transactions for account of members—					
Total purchases	June 9	4,580,302	2,697,331	5,925,891	4,204,476
Short sales	June 9	648,240	392,610	918,040	775,900
Other sales	June 9	3,820,086	2,179,036	5,152,103	3,686,175
Total sales	June 9	4,468,326	2,571,646	6,070,143	4,464,075
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	June 9	2,026,451	1,258,957	2,500,321	1,908,875
Dollar value	June 9	$113,739,038	$75,039,166	$125,401,172	$98,330,496
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 9	2,104,429	1,346,285	2,641,642	1,805,585
Customers' short sales	June 9	8.387	4,373	11,169	6,588
Customers' other sales	June 9	2,096,042	1,341,912	2,630,473	1,798,997
Dollar value	June 9	$108,594,583	$70,931,639	$125,622,698	$88,290,519
Round-lot sales by dealers—					
Number of shares—Total sales	June 9	664,650	396,650	831,600	510,230
Short sales	June 9	------	------	------	------
Other sales	June 9	664,650	396,650	831,600	510,230
Round-lot purchases by dealers—Number of shares	June 9	575,920	332,070	672,100	619,350
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	June 9	754,840	438,430	1,047,280	877,660
Other sales	June 9	19,582,830	11,881,720	25,779,940	17,262,740
Total sales	June 9	20,347,670	12,320,150	26,827,220	18,140,400
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	June 27	118.8	118.7	118.8	119.4
Farm products	June 27	86.4	85.8	86.5	87.7
Processed foods	June 27	107.5	107.3	107.8	107.5
Meats	June 27	91.7	91.1	92.1	96.4
All commodities other than farm and foods	June 27	127.7	127.7	127.7	128.3

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
NEW YORK STOCK EXCHANGE— As of May 31 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$4,096,000	$3,986,000	$3,151,000
Credit extended to customers	40,000	50,000	130,000
Cash on hand and in banks in U. S.	453,000	433,000	362,000
Total of customers' free credit balances	1,453,000	1,508,000	970,000
Market value of listed bonds	110,426,853	110,317,963	109,394,776
Market value of listed shares	358,862,078	350,071,832	291,687,902
Member borrowings on U. S. Govt. issues	424,000	533,000	622,000
Member borrowings on other collateral	2,680,000	2,412,000	2,274,000
BUSINESS FAILURES—DUN & BRADSTREET INC.—Month of May:			
Manufacturing number	269	238	229
Wholesale number	167	123	135
Retail number	731	704	564
Construction number	255	245	214
Commercial service number	123	131	131
Total number	1,545	1,441	1,273
Manufacturing liabilities	$18,944,000	$23,215,000	$10,835,000
Wholesale liabilities	10,791,000	10,117,000	4,846,000
Retail liabilities	24,776,000	32,562,000	19,638,000
Construction liabilities	19,162,000	13,127,000	12,262,000
Commercial service liabilities	6,798,000	7,093,000	3,336,000
Total liabilities	$80,471,000	$86,114,000	$50,917,000
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of May: (000's omitted)	$367,900	$914,100	$355,000
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS RECORD — Month of June (000's omitted):			
Total U. S. construction	$2,392,000	$1,789,000	$2,885,000
Private construction	1,115,000	1,002,000	1,607,000
Public construction	1,277,000	787,000	1,278,000
State and municipal	947,000	607,000	896,000
Federal	330,000	180,000	382,000
COTTON* SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of May:			
Cotton Seed—			
Received at mills (tons)	19,400	10,300	13,700
Crushed (tons)	292,500	401,800	252,400
Stocks (tons) May 31	395,000	668,100	357,300
Cake and Meal—			
Stocks (tons) May 31	245,500	270,500	204,500
Produced (tons)	138,100	189,300	116,900
Shipped (tons)	163,100	190,800	101,300
Hulls—			
Stocks (tons) May 31	119,200	120,900	43,900
Produced (tons)	67,500	93,200	57,300
Shipped (tons)	69,200	80,600	61,600
Linters—			
Stocks (bales) May 31	199,600	226,400	132,000
Produced (bales)	83,500	113,800	73,100
Shipped (bales)	110,300	117,700	97,600
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of May:			
All manufacturing (production workers)	11,616,000	*11,470,000	12,292,000
Durable goods	6,560,000	*6,429,000	7,084,000
Nondurable goods	5,056,000	*5,041,000	5,208,000
Employment indexes (1947-49 avge.=100)—			
All manufacturing	93.9	*92.7	99.4
Payroll indexes (1947-49 avge.=100)—			
All manufacturing	164.4	*160.4	171.5
Estimated number of employees in manufacturing industries—			
All manufacturing	15,683,000	*15,529,000	16,348,000
Durable goods	8,995,000	*8,855,000	9,516,000
Nondurable goods	6,688,000	*6,674,000	6,832,000
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of May:			
Seasonally adjusted	108	105	110
Unadjusted	108	106	109
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of April:			
Death benefits	$272,600,000	*$325,200,000	$270,200,000
Matured endowments	56,400,000	64,100,000	56,900,000
Disability payments	10,800,000	11,500,000	9,800,000
Annuity payments	61,000,00	65,600,000	59,300,000
Surrender values	154,000,000	165,600,000	132,500,000
Policy dividends	126,900,000	164,700,000	121,400,000
Total	$681,700,000	*$796,700,000	$650,100,000
MONEY IN CIRCULATION—TREASURY DEPT. As of April 30 (000's omitted)	$31,800,000	$31,900,000	$31,600,000
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of May (in billions):			
Total personal income	$413.7	*$411.3	$404.7
Wage and salary receipts, total	276.9	*275.1	273.6
Commodity producing industries	110.7	*109.4	113.3
Manufacturing only	87.7	*86.3	89.5
Distributing industries	72.6	*72.4	72.0
Service industries	42.6	*42.5	40.7
Government	50.9	50.8	47.6
Other labor income	10.9	10.9	10.9
Business and professional	35.7	*35.6	36.0
Farm	13.1	*12.9	12.1
Rental income of persons	12.5	12.5	12.5
Dividends	14.0	14.0	13.9
Personal interest income	27.6	27.6	26.5
Transfer payments	32.5	32.2	28.4
Less employees' contribution for social insurance	9.5	9.5	9.3
Total nonagricultural income	396.7	*394.5	388.3
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE—1910-1914=100—As of May 15:			
All farm products	236	239	*240
Crops	230	226	*225
Commercial vegetables, fresh	233	*228	*248
Cotton	250	249	*247
Feed, grain and hay	151	145	158
Food grains	203	202	209
Fruit	261	250	*217
Oil-bearing crops	285	286	218
Potatoes	176	178	*241
Tobacco	517	*516	*405
Livestock	241	*251	252
Dairy products	241	*247	237
Meat animals	292	305	*309
Poultry and eggs	139	145	*154
Wool	239	231	253
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of April (000's omitted):			
Exports	$1,705,500	$1,934,200	$1,817,800
Imports	1,041,900	1,230,500	1,261,300

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

★ A:G:E Funds, Inc.
June 30, 1961 filed 200 co-ownership participations in the company's 1961 exploration and development fund H. **Price**—$5,000 per unit. **Proceeds**—To evaluate, acquire and develop oil and gas leaseholds. **Office**—120 South La Salle St., Chicago, Ill. **Underwriter**—None.

A. T. U. Productions, Inc.
June 1, 1961 ("Reg. A.") 100,000 shares of common stock (par 10 cents). **Price**—$3. **Business**—TV film productions. **Proceeds**—For general corporate purposes. **Office**—130 W. 57th St., New York, N. Y. **Underwriter**—Marshall Co., New York.

Abbey Automation Systems, Inc.
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The design manufacture and sale of automation equipment for industry. **Proceeds**—For new facilities, sales program, demonstration laboratory and working capital. **Office**—37-05 48th Ave., Long Island City, N. Y. **Underwriter**—John Joshua & Co., Inc., New York.

Accesso Corp.
Jan. 30, 1961 filed 40,000 shares of common stock and 40,000 shares of preferred stock (par $10) to be offered for public sale in units consisting of one share of common and one share of preferred stock. **Price**—$15 per unit. **Business**—The company is engaged in the design, manufacture and sale of fluorescent lighting systems, acoustical tile hangers, metal tiles and other types of acoustical ceiling systems. **Proceeds**—For the repayment of loans and general corporate purposes. **Office** — 3425 Bagley Avenue, Seattle, Wash. **Underwriter**—Ralph B. Leonard & Sons, Inc., New York City (managing).

A-Drive Auto Leasing System, Inc.
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, New York City (managing).

Adelphi Electronics, Inc.
May 29, 1961 ("Reg. A.") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Distributes electronic products. **Proceeds**—To repay a loan, acquire new quarters, for expansion, inventory, and working capital. **Office**—142 Mineola Blvd., Mineola, N. Y. **Underwriter**—H. B. Crandall Co., New York.

Advanced Electronics Corp.
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., New York City. **Offering**—Expected in mid-July.

• Advanced Investment Management Corp.
Jan. 13,1961 filed 300,000 shares of common stock. **Price**—$3.50 per share. **Business**—The company was organized in October, 1960 to operate an insurance home office service and management company with the related secondary purpose of owning investments in entities engaged in the insurance business. **Proceeds**—The company will use the proceeds estimated at $851,895 as a reserve for the acquisition of interests in life insurance; for furniture and fixtures; for the establishment of a sales organization and for working capital. **Office**—The Rector Building, Little Rock, Ark. **Underwriter**—Advanced Underwriters, Inc., Little Rock, Ark. **Note**—This registration was withdrawn June 29.

Advanced Scientific Instruments, Inc.
May 19, 1961 filed 875,000 shares of common stock. **Price**—$1.15 per share. **Business**—The company was formed in March, 1961 to engage in the development, manufacture, sale and lease of electronic, electro-mechanical and electro-optical equipment. **Proceeds** — For equipment, developmental work and working capital. **Office**—1208 Title Insurance Building, Minneapolis, Minn. **Underwriter**—Naftalin & Co., Minneapolis. **Offering**—Expected in late August.

• Affiliated Investment Corp.
May 29, 1961 filed 400,000 common shares. **Price** — $5. **Business**—The company plans to invest in life insurance concerns. **Proceeds**—For investment. **Office**—1730 K St., N. W., Washington, D. C. **Underwriter**—Affiliated Underwriters, Inc., Washington, D. C. **Note**—This registration was withdrawn June 29.

Aileen Inc.
June 27, 1961 filed 200,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—29 W. 38th St., New York City. **Underwriter**—Goodbody & Co., New York.

★ Air Alaska, Inc.
June 19, 1961 ("Reg. A") 75,000 common shares (par $1). **Price**—$3. **Proceeds**—For purchase of aircraft demonstrators, office equipment and working capital. **Address**—Anchorage, Alaska. **Underwriter**—None.

Air Master Corp.
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

★ Airtronics International Corp. of Florida
June 29, 1961 filed 199,000 common shares of which 110,000 shares are to be offered by the company and 89,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of electronic, mechanical and electro-mechanical rocket and missile system parts and components. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters** — Stein Bros. & Boyce, Baltimore & Vickers, MacPherson & Warwick, Inc. (managing).

Alix of Miami, Inc.
June 8, 1961 filed 100,000 class A common shares, of which 70,000 are to be offered by the company and 30,000 by stockholders. **Price**—$9. **Business**—Manufacturers of women's wear. **Proceeds**—For working capital. **Office**—2700 N. W. 5th Ave., Miami, Fla. **Underwriter**—Clayton Securities Corp., Boston (managing).

• Allstate Bowling Centers, Inc. (7/24-28)
May 19, 1961 filed 300,000 shares of capital stock, of which 200,000 shares will be sold for the account of the company and 100,000 shares for All-State Properties, Inc., parent. The stock will be offered for subscription by holders of All-State Properties on the basis of one share for each nine shares held. **Price**—$10. **Business**—The construction and operation of bowling centers in several states. **Proceeds** — For expansion and working capital. **Office**—30 Verbena Avenue, Floral Park, N. Y. **Underwriter**—Bear, Stearns & Co., New York City.

★ All Weather Roll 'N' Ice, Inc.
June 29, 1961 ("Reg. A") 40,000 class A shares (par 10 cents). **Price**—$3. **Business**—The operation of an ice-skating and roller skating rink. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — Sunrise Highway, Copiague, N. Y. **Underwriter**—None.

Almar Rainwear Corp. (7/17-21)
April 28, 1961 filed 120,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of plastic film raincoats and related items for men, women and children. **Proceeds**—For inventory, taxes, accrued sales commissions and working capital. **Office**—Washington, Ga. **Underwriter**—D. H. Blair & Co., New York City (managing).

Alside, Inc.
May 11, 1961 filed 200,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of aluminum siding and paneling for houses. **Proceeds** — For the selling stockholders. **Office**—3773 Akron-Cleveland Rd., Akron, O. **Underwriter** — Reynolds & Co., Inc., New York City (managing).

Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business** — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Avenue, Mamaroneck, N. Y. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

★ Amerford International Corp.
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$3.50. **Business**—International air and ocean freight forwarding. **Proceeds**—For expansion, advertising and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., Inc., and Williams & Lee, Inc., New York.

American Electronic Laboratories, Inc.
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

• American Facsimile Corp. (7/10-14)
April 28, 1961 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Business**—The manufacture of facsimile communication equipment. **Proceeds**—For equipment; sales promotion and advertising; research and development, and work-

N. Y. Trap Rock Common Offered

Public offering of 175,000 shares of common stock of New York Trap Rock Corp., West Nyack, N. Y., is being made by an underwriting group headed by Smith, Barney & Co. Inc. The stock is priced at $19 a share.

New York Trap Rock is the largest producer and supplier in the New York City metropolitan area of crushed stone, used principally as the coarse aggregate which is combined with sand and other ingredients to make asphaltic or Portland cement concrete.

The company plans to enter the lightweight aggregate business and to expend approximately $3,160,000 for this purpose. It intends to construct a lightweight aggregate manufacturing plant on tidewater near Kingston, N. Y., adjacent to shale deposits now owned in fee or under option. The proposed plant will have an initial annual capacity of 500,000 cubic yards (350,000 tons) of lightweight aggregate.

Upon issuance of the shares, outstanding capitalization will consist of $3,243,000 principal amount of long-term debt and 1,041,025 shares of common stock.

Robt. Timpson to Admit

Robert Timpson & Co., 63 Wall Street, New York City, members of the New York Stock Exchange, on July 1st will admit William Ropner to partnership.

Tobey, Kirk Partner

As of July 1, Tobey & Kirk, 52 Wall St., New York City, members of the New York Stock Exchange, admitted Victor H. Weintraub to partnership.

G. D. I. Plans Branch

MIAMI, Fla. — G. D. I. Plans Distributors, Inc. has opened a branch office at 2828 Southwest 22nd Street, under the direction of Neil E. Bahr.

Form Feit, Gale Co.

ELIZABETH, N. J.—Feit, Gale & Co., Inc. has been formed with offices at 125 Broad Street, to engage in a securities business. Officers are Robert B. Gale, President, and James J. Feit, Secretary-Treasurer.

Forms Pearce & Co.

(Special to THE FINANCIAL CHRONICLE)

LA JOLLA, Calif.—Kenet Pearce is engaging in a securities business from offices at 7644 Girard Ave. under the firm name of Pearce & Co.

Irving Rice Adds

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn.—Gerald J. Ballinger, Merrill C. Boone, Robert L. Boyle, Donald F. Giblin and Phillip W. Seamans have been added to the staff of Irving J. Rice & Company, Incorporated, Pioneer Building, members of the Midwest Stock Exchange.

ing capital. **Office**—160 Coit Street, Irvington, N. J. **Underwriter**—Shell Associates, Inc., New York, N. Y.

American Finance Co., Inc. (7/17-21)
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City.

American Missiltronics Corp.
See Marsan Industries, Inc., below.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St.. Little Rock, Ark. **Underwriter**—Amico, Inc. **Offering**—In late July.

American Orbitronics Corp.
June 1, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For raw material, machinery, and working capital. **Office**—1730 K St., N. W., Suite 309, Washington, D. C. **Underwriter**—H. P. Black & Co., Washington, D. C.

★ **American Packing Co.**
June 29, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The processing and sale of canned salmon. **Proceeds**—For general corporate purposes. **Office**—303 N. E. Northlake Way, Seattle. **Underwriter** — Joseph Nadler & Co., Inc., New York (managing).

American Photocopy Equipment Co. (7/17-21)
May 16, 1961 filed 435,000 shares of common stock, of which 50,000 shares will be offered for the account of the company and 385,000 for certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of desk-top photocopy machines, paper and supplies, and binding equipment. **Proceeds**—The company will use its share of the proceeds for general corporate purposes. **Office**—2100 West Dempster St., Evanston, Ill. **Underwriter** — Lehman Brothers, New York City (managing).

American Recreation Centers, Inc.
June 26, 1961 filed $1,250,000 of series A convertible subordinated debentures due 1973. **Price**—By amendment. **Business**—The operation of seven bowling centers. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — 1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co., San Francisco (managing).

★ **American Sports Plan, Inc.**
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

American Univend Corp. (8/1-4)
May 29, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The leasing of vending machines and the sale of merchandise for distribution therein. **Proceeds**—For the repayment of debt, purchase of additional machines, and other corporate purposes. **Office**—120 E. 56th St., New York. **Underwriter**—Robert A. Martin Associates, Inc., New York.

Amity Corp.
Jan. 17, 1961 filed 88,739 shares of common stock (par $1). **Price**—$3 per share. **Business**—Land development, including the building of an air strip, a marina, and a housing cooperative. This is the issuer's first public financing. **Proceeds**—For general corporate purposes, including $170,000 for construction and $12,000 for debt reduction. **Office**—Equitable Building, Baltimore, Md. **Underwriter**—Karen Securities Corp., New York City. **Note**—This statement is expected to be refiled.

Amphicar Corp. of America
June 15, 1961 filed 100,000 common shares. **Price**—$5. **Business**—The manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Avenue, New York. **Underwriter** — Herbert Edmond & Co., Inc., 115 Broadway, New York.

★ **Animal Insurance Co. of America**
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (managing).

Anodyne, Inc.
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

Antilles Electronics Corp. (7/10-14)
May 8, 1961 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price** — $3 per share. **Address**—San Lorenzo, Puerto Rico. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa.

Apache Corp.
May 29, 1961 filed $750,000 of participating units in the Apache Canadian Gas & Oil Program 1961 to be offered for public sale in 100 units. **Price**—$7,500 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis. **Underwriter**—APA, Inc., Minneapolis. **Offering**—Expected in mid-August.

Apache Corp. (7/20)
March 31, 1961 filed 300 units in the Apache Gas and Oil Program 1962. **Price**—$15,000 per unit. **Business**—The acquisition, holding, testing, developing and operating of gas and oil leaseholds. **Proceeds**—For general corporate purposes. **Office**—523 Marquette Ave., Minneapolis, Minn. **Underwriter** — The company and its subsidiary, APA, Inc., will act as underwriters for the Program.

Apache Realty Corp. (7/10-14)
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

● **Applied Research Inc.**
June 23, 1961 filed 120,000 common shares, of which 60,000 shares are to be offered by the company and 60,000 shares by stockholders. **Price**—$6.50. **Business**—Manufacture of devices used in connection with space and earth communications, radio frequency analysis, missiles and satellites and radar and telemetry systems. **Proceeds**—For leasehold improvements, equipment and general corporate purposes. **Office**—76 S. Bayles Avenue, Port Washington, N. Y. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, New York.

Aqua-Lectric, Inc.
June 19, 1961 filed 1,000,000 common shares. **Price**—$1.15. **Business**—The marketing of an electric hot water heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—None.

Arcs Industries, Inc.
May 19, 1961 filed $1,630,000 of 6% convertible subordinated debentures due 1971, to be offered for subscription by common stockholders on the basis of $500 of debentures for each 100 shares held. **Price** — At par. **Business**—The manufacture of electronic, electrical and electro-mechanical devices for use in the missile and computer fields. **Proceeds**—To repay loans, purchase a building, and for working capital. **Office** — 755 Park Avenue, Huntington Station, L. I., N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing). **Offering**—In late July.

Arizona Color Film Processing Laboratories, Inc.
March 23, 1961 filed 2,100,500 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each share held. **Price**—22 cents per share. **Business**—The processing of black and white and color film. **Proceeds**—To repay loans and for working capital. **Office**—2 North 30th Street, Phoenix, Ariz. **Underwriter**—None. **Offering**—Imminent.

Arkansas Valley Industries, Inc.
May 12, 1961 filed $1,500,000 of convertible subordinated sinking fund debentures due 1976. **Price**—100% of principal amount. **Business**—The production and sale of chicken feed, hatching chicks and poultry. **Proceeds**—For new facilities, the improvement of marketing improvements, and for working capital. **Office**—Dardenelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo. (managing).

Atlantic Fund for Investment in U. S. Government Securities Inc. (7/24-28)
July 22, 1960, filed 2,000,000 shares of common stock. **Price** — $25 per share. **Business** — A diversified investment company, which will become an open-end company with redeemable shares upon the sale and issuance of the shares being registered. **Proceeds**—For investment in U. S. Government securities. **Office**—50 Broad Street, New York City. **Underwriter**—Capital Counsellors, 50 Broad Street, New York City. **Note**—This company was formerly the Irving Fund for Investment in U. S. Government Securities, Inc.

● **Atmos-pak Inc.**
June 27, 1961 filed 100,000 common shares. **Price**—$5. **Proceeds** — For the repayment of loans, inventory and general corporate purposes. **Office**—88 N. Highland Ave., Ossining, N. Y. **Underwriter** — Christopher & Co., Inc., and Alessandrini & Co., Inc., New York (co-managing).

Audiographic Inc.
Feb. 27, 1961 filed 150,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture and sale of fire and burglar warning systems. **Proceeds**—To establish subsidiaries, buy equipment to make component parts of warning systems now manufactured by others, reduce indebtedness, add to inventory, and for working capital. **Office**—Bellemore, L. I., N. Y. **Underwriter**—First Broad Street Corp., New York City (managing).

Audio Visual Teaching Machines, Inc. (7/17-21)
June 8, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and dis-

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NEW ISSUE CALENDAR

July 7 (Friday)

Church Builders, Inc.__________**Common**
(Associates Management, Inc.) $275,000

Electronics Capital Corp.__________**Common**
(Offering to stockholders—underwritten by Bear, Stearns & Co.) 612,463 shares

Equity Capital Co.__________**Common**
(Paine, Webber, Jackson & Curtis) 100,000 shares

First Small Business Corp. of New Jersey__**Capital**
(Shearson, Hammill & Co. and Heller & Meyer) $3,750,000

G-W. Ameritronics, Inc.__________**Units**
(Fraser & Co., Inc.) $320,000

General Acceptance Corp.__________**Debentures**
(Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co.) $15,000,000

Gordon Jewelry Corp.__________**Class A**
(Paine, Webber, Jackson & Curtis) 140,000 shares

Inland Life Insurance Co.__________**Common**
(A. G. Becker & Co.) 375,000 shares

Mohawk Insurance Co.__________**Common**
(R. F. Dowd & Co., Inc.) $900,000

Photronics Corp. __________**Common**
(Offering to stockholders—underwritten by L. D. Sherman & Co.) 150,000 shares

Science Resources Inc.__________**Common**
(Lewis Wolf Associates) $300,000

Survivors' Benefit Insurance Co.__________**Common**
(Offering to stockholders—J. E. Stowers) $1,085,000

July 10 (Monday)

American Facsimile Corp.__________**Common**
(Shell Associates Inc.) $120,000

Antilles Electronics Corp.__________**Common**
(Fraser & Co.) $300,000

Apache Realty Corp.__________**Units**
(Blunt Ellis & Simmons) $5,000,000

Automotive Vacuum Control Corp.__________**Common**
(Donald J. Hinkley & Co. Inc.) $300,000

Bid D Chemical Co.__________**Common**
(Donald J. Hinkley & Co. Inc.) $300,000

Eastern Lime Corp.__________**Debentures**
(Stroud & Co. Inc. and Warren W. York & Co. Inc.) $900,000

Fairfield Controls, Inc.__________**Common**
(Globus, Inc., and Lieberbaum & Co.) $150,000

Gilbert Data Systems, Inc.__________**Common**
(Schrijver & Co.) $350,000

Handmacher-Vogel, Inc. __________**Common**
(Butcher & Sherrerd) 245,000 shares

Income Planning Corp.__________**Units**
(Espy & Wanderer, Inc.) $200,000

Income Properties, Inc.__________**Class A**
(Eisele & King, Libaire, Stout & Co.) $1,462,500

Lithonia Lighting, Inc.__________**Common**
(Bache & Co. and Robinson-Humphrey Co., Inc.) 226,000 shares

M-G, Inc. __________**Common**
(Rowles, Winston & Co.) 100,000 shares

Micro Electronics Corp.__________**Common**
(R. Baruch & Co.) $400,000

Model Vending, Inc.__________**Common**
(Milton D. Blauner & Co., Inc.; Hallowell, Sulzberger, Jenks, Kirkland & Co. and M. L. Lee & Co., Inc.) 150,000 shares

Modern Homes Construction Co.__________**Units**
(Harriman Ripley & Co.) 275,000 units

Nash (J. M.) Co., Inc.__________**Debentures**
(Robert W. Baird & Co.) $2,000,000

Q-Line Instrument Corp.__________**Common**
(William, David & Motti, Inc.) $260,000

Renaire Foods, Inc.__________**Common**
(P. W. Brooks & Co., Inc.) $750,000

Renaire Foods, Inc.__________**Debentures**
(P. W. Brooks & Co., Inc.) $600,000

Servonic Instruments, Inc.__________**Common**
(C. E. Unterberg, Towbin Co.) 95,000 shares

Taddeo Bowling & Leasing Corp.__________**Units**
(Lomasney, Loving & Co.) $1,620,000

United Foods, Inc.__________**Common**
(Dempsey-Tegeler & Co.) $1,062,500

World Color Press, Inc.__________**Common**
(Scherck, Richter Co. and Dempsey-Tegeler & Co.) 218,000 shares

July 11 (Tuesday)

Canada Dry Corp.__________**Debentures**
(Offering to stockholders — underwritten by Eastman Dillon, Union Securities & Co.; Hornblower & Weeks and Winslow, Cohu & Stetson Inc.) $7,138,400

CompuDyne Corp. __________**Common**
(Hayden, Stone & Co.) 168,000 shares

Harvey Aluminum (Inc.)__________**Common**
(Kuhn, Loeb & Co. Inc. and Tucker, Anthony & R. L. Day) 1,000,000 shares

Oceanarium, Inc. __________**Common**
(Blyth & Co. Inc.) 125,000 shares

Outdoor Development Co., Inc.__________**Units**
(Granbery, Marache & Co.) 54,100 units

July 12 (Wednesday)

California Electric Power Co.__________**Bonds**
(Bids 9 a.m. PST) $8,000,000

Rorer (William H.) Inc.__________**Common**
(Kidder, Peabody & Co. and Schmidt, Roberts & Parke) 130,000 shares

July 13 (Thursday)

Brockton Edison Co.__________**Preferred**
(Bids to be received) 40,000 shares

Diamond Crystal Salt Co.__________**Common**
(Kidder, Peabody & Co.) 300,000 shares

Youngwood Electronic Metals, Inc.__________**Common**
(Bruno-Lenchner, Inc. and Amos Treat & Co.) $300,000

July 14 (Friday)

Electrarc, Inc.__________**Common**
(P. de Rensis & Co., Inc.) $500,000

Progressitron Corp. __________**Common**
(Netherlands Securities Co.) $300,000

Versapak Film & Packaging Machinery Corp.__**Units**
(Hill, Thompson & Co.; Hampstead Investing Corp. and Globus, Inc.) $468,750

Wej-It Expansion Products, Inc.__________**Common**
(Amos C. Sudler & Co.) $300,000

July 17 (Monday)

Almar Rainwear Corp.__________**Common**
(D. H. Blair & Co.) 120,000 shares

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American Finance Co., Inc.----------------**Units**
(Lomasney, Loving & Co.) $1,250,000

American Photocopy Equipment Co.------**Common**
(Lehman Brothers) 435,000 shares

Audio Visual Teaching Machines, Inc.-----**Common**
(Underwriter to be named) $300,000

CMC Finance Group, Inc.---------------**Common**
(Auchincloss, Parker & Redpath) 150,000 shares

Canandaigua Enterprises Corp.-----------**Units**
(S. D. Fuller & Co.) 8,000 units

Chemonics Corp.-----------------------**Common**
(Grant, Fontaine & Co.; Evans MacCormack & Co.; Stone & Youngberg and Sellgren, Miller & Co.) $300,000

City Gas Co. of Florida-------------------**Common**
(Kidder, Peabody & Co.) 112,278 shares

Color Reproductions, Inc.-----------------**Units**
(William, David & Motti, Inc.) $273,125

Dallas Airmotive, Inc.--------------------**Common**
(Eppler, Guerin & Turner, Inc.) 390,000 shares

Dumas Milner Corp.----------------------**Units**
(Courts & Co.) 200,000 units

Ets-Hokin & Galvan, Inc.-----------------**Common**
(Van Alstyne, Noel & Co.) 209,355 shares

Federal Factors, Inc.-----------------**Debentures**
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) $700,000

Federal Factors, Inc.---------------------**Common**
(Thomas Jay, Winston & Co.; Maltz, Greenwald & Co. and Globus, Inc.) 70,000 shares

Goodway Printing Co.---------------------**Capital**
(Paine, Webber, Jackson & Curtis) 247,500 shares

Gulf-Southwest Capital Corp.---------------**Common**
(Harriman Ripley & Co. and Underwood, Neuhaus & Co., Inc.) 1,250,000 shares

Harvey House, Inc.------------------------**Common**
(Michael G. Kletz & Co.) $420,000

International Cablevision Corp.-------------**Common**
(James Anthony & Co., Inc.) $1,648,500

Marine Structures Corp.--------------------**Common**
(Grant, Fontaine & Co.) $300,000

Metropolis Bowling Centers, Inc.-----------**Common**
(Russell & Saxe Inc.; Thomas, Williams & Lee Inc. and V. S. Wickett & Co.) $990,000

Ripley Co., Inc.--------------------------**Common**
(Dominick & Dominick) 82,500 shares

Slater Electric, Inc.-----------------------**Class A**
(C. E. Unterberg, Towbin Co.) 150,000 shares

Southeastern Capital Corp.----------------**Common**
(Paine, Webber, Jackson & Curtis) $6,250,000

Speed-O-Print Business Machines Corp.---**Common**
(Rodman & Renshaw) 125,000 shares

Spellman Engineering, Inc.----------------**Common**
(Pierce, Carrison, Wulburn, Inc.) 150,000 shares

Swingline Inc. ---------------------------**Common**
(Paine, Webber, Jackson & Curtis) 200,000 shares

Taffet Electronics, Inc.-------------------**Common**
(Fialkov & Co. Inc.) $396,000

Taft Broadcasting Co.---------------------**Common**
(Harriman Ripley & Co., Inc.) 376,369 shares

U. S. Home & Development Corp.-----------**Capital**
(Auchincloss, Parker & Redpath) 300,000 shares

Vic Tanny Enterprises, Inc.----------------**Common**
(S. D. Fuller & Co.) 320,000 shares

July 18 (Tuesday)

Cable Carriers, Inc.-----------------------**Capital**
(No underwriting) 196,109 shares

Capital Southwest Corp.-------------------**Common**
(Rotan, Mosle & Co.) $13,750,000

Independence Life Insurance Co. of America--**Cap.**
(Plyth & Co. Inc.) 150,000 shares

Northwest Natural Gas Co.----------------**Common**
(Lehman Brothers) 140,000 shares

Northwest Natural Gas Co.-----------------**Bonds**
(Lehman Brothers) $6,500,000

July 19 (Wednesday)

Certain-Teed Products Corp.---------------**Common**
(Offering to stockholders underwritten by Lazard Freres & Co.) 127,570 shares

Shell Oil Co.--------------------------**Debentures**
(Morgan Stanley & Co.) $200,000,000

July 20 (Thursday)

Apache Corp.------------------------------**Units**
(APA, Inc. Minneapolis, Minn.) $4,500,000

July 24 (Monday)

Allstate Bowling Centers, Inc.---------------**Capital**
(Offering to stockholders—underwritten by Bear, Stearns & Co.) $100,000

Allstate Bowling Centers, Inc.--------------**Capital**
(Bear, Stearns & Co.) $2,000,000

Atlantic Fund for Investment in U. S. Government Securities, Inc.-----------**Common**
(Capital Counsellors) $50,000,000

BBM Photocopy Manufacturing Corp.----**Common**
(Shields & Co.) 50,000 shares

Bramalea Consolidated Developments, Ltd.--**Units**
(Shields & Co.) $12,000,000

Cal-Val Research & Development Corp.----**Capital**
(Auchincloss, Parker & Redpath) 200,000 shares

Capital Properties, Inc.--------------------**Units**
(Hodgdon & Co. Inc.) $600,000

Chrislin Photo Industries Corp.-----------**Class A**
(Lewis, Wolf, Inc.) $300,000

Consolidated Production Corp.-----------**Common**
(Shearson, Hammill & Co.) 200,000 shares

Cosnat Record Distributing Corp.---------**Common**
(Amos Treat & Co.) 150,000 shares

Development Corp. of America-----------**Common**
(Amos Treat & Co. Inc.) $600,000

Devonbrook, Inc. ------------------------**Common**
(Globus, Inc.) $600,000

Famous Artists Schools, Inc.-------------**Common**
(Bear, Stearns & Co.) 336,625 shares

Faradyne Electronics Corp.-------------**Debentures**
(S. D. Fuller Co.) $2,000,000

Fifth Dimension Inc.----------------------**Common**
(Milton D. Blauner & Co., Inc.) 60,0000 shares

First Mortgage Fund-------------------**Ben. Ints.**
(Shearson, Hammill & Co.) $15,000,000

Florida Steel Corp.-----------------------**Common**
(McDonald & Co. and Kidder, Peabody & Co.) 100,000 shares

Garan Inc. ------------------------------**Common**
(J. R. Williston & Beane) $780,000

Hydro-Space Technology, Inc.-------------**Common**
(Michael G. Kletz & Co., Inc. and John H. Kaplan & Co.) $900,000

Ihnen (Edward H.) & Son, Inc.------------**Common**
(Amos Treat & Co. Inc.) $375,000

Interstate Department Stores, Inc.------**Debentures**
(Lehman Brothers and Shearson, Hammill & Co.) $5,859,400

Kane-Miller Corp.-----------------------**Common**
(Netherlands Securities Co., Inc.; Seymour Blauner Co. and J. J. Bruno & Co.) $600,000

Magna Pipe Line Co., Ltd.----------------**Common**
(Bear, Stearns & Co. and W. C. Pitfield & Co. Ltd.) 750,000 shares

Mortgage Guaranty Insurance Co.---------**Common**
(Bache & Co.) 155,000 shares

National Mercantile Corp.-------------------**Units**
(A. T. Brod & Co.) 100,000 units

Packer's Super Markets, Inc.--------------**Common**
(Milton D. Blauner & Co., Inc.) $600,000

Philadelphia Laboratories, Inc.------------**Common**
(Woodcock, Moyer, Fricke & French, Inc.) $600,000

Seaboard Electronic Corp.----------------**Common**
(Amos Treat & Co. Inc.) $550,000

Suval Industries Inc.---------------------**Common**
(Milton D. Blauner & Co. and Brukenfeld & Co.) $500,000

Tassette, Inc.---------------------------**Class A**
(Amos Treat & Co., Inc.; Bruno Lenchner, Inc. and Karen Securities Corp.) $2,400,000

Thoroughbred Enterprises, Inc.------------**Common**
(Sandkuhl & Co. Inc.) $340,000

Vinco Corp. -------------------------**Debentures**
(S. D. Fuller & Co.) $2,000,000

July 25 (Tuesday)

Union Electric Co.-------------------------**Bonds**
(Bids 11 a. m. EDT) $30,000,000

Washington Water Power Co.-------------**Common**
(Kidder, Peabody & Co.; Blyth & Co., Inc.; White, Weld & Co. and Dean Witter & Co.) 160,000 shares

July 26 (Wednesday)

Southern Pacific Co.---------------**Equip. Trust Ctfs.**
(Bids to be received) 34,845,000

July 28 (Friday)

Rowan Controller Co.----------------------**Common**
(Stein Bros. & Boyce) 50,000 shares

Security Acceptance Corp.-------------------**Units**
(No underwriting) $800,000

July 31 (Monday)

Dornost Publishing Co., Inc.----------------**Common**
(Globus, Inc. and Harold C. Shore & Co., Inc.) $100,000

Lease Plan International Corp.-------------**Common**
(Hayden, Stone & Co.) 125,000 shares

Radiation Instrument Development Laboratory, Inc. ----------------------**Common**
(Hayden, Stone & Co.) 100,000 shares

August 1 (Tuesday)

American Univend Corp.-------------------**Common**
(Robert A. Martin Associates, Inc.) 100,000 shares

Automated Merchandising Capital Corp.---**Common**
(Blair & Co. Inc.) 400,000 shares

Northern Pacific Co.--------------**Equip. Trust Ctfs.**
(Bids to be received) $7,200,000

August 4 (Friday)

First Surety Corp.-------------------------**Capital**
(Dempsey-Tegeler & Co.) 754,730 shares

Texas Capital Corp.-----------------------**Common**
(Dempsey-Tegeler & Co.) 1,000,000 shares

August 8 (Tuesday)

Northern States Power Co.-------------------**Bonds**
(Bids to be received) $20,000,000

August 14 (Monday)

Second Financial, Inc.---------------------**Common**
(Globus, Inc.) $300,000

August 15 (Tuesday)

Consumers Power Co.-----------------------**Bonds**
(Bids 11:30 a.m. EDST) $40,000,000

Superstition Mountain Enterprises, Inc.---**Common**
(No underwriting) $5,000,000

August 18 (Friday)

Lytton Financial Corp.---------------------**Capital**
(William R. Staats & Co. and Shearson, Hammill & Co.) 300,000 shares

September 8 (Friday)

Western Union Telegraph Co.---------------**Common**
(Offering to stockholders—underwriters to be named) 1,070,000 shares

September 27 (Wednesday)

Rochester Gas & Electric Corp.---------------**Bonds**
(Bids to be received) $12,000,000

October 18 (Wednesday)

Georgia Power Co.---------------------------**Bonds**
(Bids to be received) $15,500,000

Georgia Power Co.------------------------**Preferred**
(Bids to be received) $8,000,000

October 25 (Wednesday)

New England Power Co.----------------------**Bonds**
(Bids to be received) $20,000,000

December 5 (Tuesday)

Virginia Electric & Power Co.----------------**Bonds**
(Bids to be received) $15,000,000

December 7 (Thursday)

Gulf Power Co.-----------------------------**Bonds**
(Bids to be received) $5,000,000

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tribution of teaching machines, language laboratories and program texts. **Proceeds**—For repayment of debt, purchase of equipment, research and development and working capital. **Office** — 216 E. Diamond Street, Gaithersburg, Md. **Underwriter**—To be named.

Automated Gift Plan, Inc.
June 12, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds**—For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., New York. **Underwriter**—J. Laurence & Co., Inc., New York.

Automated Merchandising Capital Corp. (8/1-4)
May 24, 1961 filed 400,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—A closed-end non-diversified management investment company formed to provide financial assistance to concerns active in the vending industry. **Proceeds** — For investment. **Office**—10 East 40th St., New York City. **Underwriter** —Blair & Co., Inc., New York City (managing).

Automatic Canteen Co. of America
June 14, 1961 filed $12,000,000 of sinking fund debentures due 1981. **Price**—By amendment. **Business**—The manufacture, sale and lease of vending machines. **Proceeds**—For expansion and general corporate purposes. **Office**—Merchandise Mart Plaza, Chicago. **Underwriter** —Glore, Forgan & Co., New York (managing).

● **Automatic Canteen Co. of America**
May 26, 1961 filed $22,686,500 of convertible subordinated debentures due July 1, 1981 being offered for subscription by common stockholders on the basis of $100 of deben. for each 32 shares held of record June 30 with rights to expire July 18. **Price** — At par. **Business**— The development, manufacture, sale and leasing of vending machines. **Proceeds**—For the repayment of debt, the construction of a factory addition at Whippany, N. J., and for other corporate purposes. **Office**—Merchandise Mart, Chicago, Ill. **Underwriter**—Glore, Forgan & Co., New York City (managing).

Automotive Vacuum Control Corp. (7/10-14)
March 30, 1961 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** —For advertising, new products and working capital. **Office**—1007 East Second Street, Wichita, Kan. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

BBM Photocpy Manufacturing Corp. (7/24-28)
May 26, 1961 filed 50,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The assembly and sale of accessory equipment for photocopy machines. **Proceeds**—For acquisition of the Bohn Duplicator Co. a division of Willmor International Corp. **Office**—42 W. 15th St., New York City. **Underwriter**— Shields & Co., New York City (managing).

★ **BSF Company**
June 30, 1961 filed $2,500,000 of 5% convertible subordinated debentures due 1966. **Price**—At par. **Proceeds** —To repay debt and as a reserve for possible acquisitions. **Office**—818 Market St., Wilmington, Del. **Underwriter**—None.

Badger Northland, Inc.
June 16, 1961 filed 100,000 common shares, of which 68,000 shares are to be offered by the company and 32,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of farm equipment. **Proceeds**— For a plant, purchase of land, retirement of preferred stock and working capital. **Address**—Kaukauna, Wis. **Underwriter**—Loewi & Co., Inc., Milwaukee (managing).

Bel-Aire Products, Inc.
April 14, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds** —For repayment of a loan, new equipment, lease of a plant, and working capital. **Office** — 25970 W. 8 mile Road, Southfield, Mich. **Underwriter** — International Equities Co., Miami, Fla.

★ **Bergen Pipesupport Corp.**
June 29, 1961 ("Reg. A") 12,000 of 7% convertible preferred shares. **Price**—At par ($25). **Business**—The manufacture of hangars and supports used in piping and equipment for the electric power, refinery, chemical, marine and related industries. **Proceeds**—For working capital. **Office**—50 Church St., New York. **Underwriter** —None.

● **Bid D Chemical Co. (7/10-14)**
May 17, 1961 (letter of notification) 60,000 shares of class a common stock (par $1). **Price** — $5 per share. **Office**—1708 W. Main St., Oklahoma City, Okla. **Underwriter**—Donald J. Hinkley & Co., Inc., Denver, Colo.

Blackman Merchandising Corp.
June 8, 1961 filed 72,500 class A common shares. **Price** —By amendment. **Business**—The wholesale distribution of soft goods lines and artificial flowers. **Proceeds**—For expansion; inventory and working capital. **Office**—1401 Fairfax Trafficway, Kansas City, Kan. **Underwriter**— Midland Securities Co., Inc., Kansas City, Mo.

★ **Bloomfield Building Industries, Inc.**
June 29, 1961 filed 300,000 class A common shares. **Price** —$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

Bloomfield Industries, Inc.
May 1, 1961 filed 140,000 shares of common stock, of which 40,000 shares are to be offered for public sale by the company and 100,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The manufacture and sale of food service equipment (for restaurants, hotels, etc.,) and houseware and hospital products. **Proceeds**—For product expansion, working capital and other corporate purposes. **Office**—4546 West 47th St., Chicago, Ill. **Under-**

writers — Westheimer & Co., Cincinnati and Divine & Fishman, Inc., Chicago and New York City. **Offering**—Expected in mid-July.

Blue Haven Industries, Inc.
March 30, 1961 (letter of notification) 70,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To increase inventory, reduce indebtedness and for working capital. **Office**—11933 Vose St., North Hollywood, Calif. **Underwriter** — Pacific Coast Securities Co. **Offering**—Expected in late July.

Blue List Publishing Co., Inc.
June 26, 1961 filed 160,000 outstanding common shares. **Price**—By amendment. **Business**—General printing. **Proceeds**—For the selling stockholders. **Office**—130 Cedar Street, New York. **Underwriter**—White, Weld & Co., Inc., New York (managing).

• **Bookshelf of America, Inc.**
April 17, 1961 (letter of notification) 74,950 shares of common stock (par 10 cents). **Price** — $4 per share. **Business**—The mail order sale of religious books. **Proceeds**—For moving expenses, new equipment and working capital and general corporate purposes. **Office**—889 Broadway, New York, N. Y. **Underwriter**—D. H. Blair & Co., New York, N. Y. **Offering**—Imminent.

★ **Boulder Lake Corp.**
June 28, 1961 filed 315,000 common shares. **Price**—$2.50. **Business**—The acquisition, exploration and development of mineral properties. **Proceeds**—For construction of roads and buildings, purchase of machinery and exploration of properties. **Address**—P. O. Box 214, Twin Bridges, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

★ **Bowling Internazionale, Ltd.**
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

Bramalea Consolidated Developments, Ltd. (7/24-28)
May 19, 1961 filed $6,000,000 (U. S.) of 6½% sinking fund debentures due July 1, 1973, 600,000 shares of common stock and 240,000 12-year warrants (exercisable at $10 per share) to be offered for public sale in units, each consisting of $50 of debentures, five common shares and two warrants. **Price** — $100 per unit. **Business** — The company is building a planned industrial-commercial-residential community at Chinquacousy, Ont., near Toronto. **Proceeds**—To repay debt and for working capital. **Office**—P. O. Box 129, Brampton, Ont., Canada. **Underwriter**—Shields & Co., New York City (managing).

Brisker Corp.
June 2, 1961 ("Reg. A") 160,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For repayment of loans, machine rental, working capital and general corporate purposes. **Office**—2833 St. Charles Ave., Suite 4, New Orleans, La. **Underwriter** — Copley & Co., Colorado Springs, Colo.

• **Broadcast International, Inc.**
June 2, 1961 (letter of notification) 60,000 shares of common stock (par five cents). **Price**—$5 per share. **Business**—Producers of radio and television programs. **Proceeds**—For general corporate purposes. **Office**—3 W. 57th St., New York City. **Underwriter**—Harry Odzer Co., New York, N. Y. **Note**—This issue was temporarily suspended by the SEC on July 3.

Brockton Edison Co. (7/13)
June 6, 1961 filed 40,000 shares of preferred (par $100). **Proceeds** — To retire all outstanding 6.40% preferred stock, prepay a bank loan, and for construction. **Office**—36 Main St., Brockton, Mass. **Underwriters**—By competitive bidding. Probable bidders: Kidder, Peabody & Co.; Kuhn, Loeb & Co., and Stone & Webster Securities Corp. **Bids**—To be received at 49 Federal St. (8th floor) Boston, Mass., up to 11 a.m. (EDST) July 13, 1961. **Information Meeting** — Above address July 11, 11 a.m.

Brown (W. A.) Manufacturing Co.
June 12, 1961 filed 170,680 outstanding common shares. **Price**—By amendment. **Business** — The manufacture of photo-mechanical equipment. **Proceeds** — For selling stockholders. **Office**—Prudential Plaza, Chicago. **Underwriters**—Loewi & Co., Inc., Milwaukee and Blunt Ellis & Simmons, Chicago.

Builtwell Homes, Inc.
May 25, 1961 filed $1,000,000 of convertible subordinated debentures due 1981 and 300,000 shares of common stock, to be offered for sale in 100,000 units, each consisting of $10 of debentures and three common shares. **Price**—To be supplied by amendment. **Business**—The construction financing and sale of shell homes. **Proceeds**—For the repayment of debt, the opening of additional sales offices and the financing of home sales. **Office**—Adrian, Ga. **Underwriter**—The Robinson-Humphrey Co., Inc., Atlanta, Ga. (managing).

Business Funds, Inc.
June 2, 1961 filed 1,300,000 shares of capital stock. **Price**—$11. **Business**—A small business investment company. **Proceeds** — For investment. **Office** — 201 Main St., Houston, Texas. **Underwriters**—Clark, Dodge & Co., Inc., New York; Alex. Brown & Sons, Baltimore, and Rotan, Mosle & Co., Houston.

Byer-Rolnick Hat Corp.
June 27, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—601 Marion Dr., Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Tex., and Straus, Blosser & McDowell, Chicago.

• **CMC Finance Group, Inc. (7/17-21)**
April 28, 1961 filed 150,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The company, through its 20 subsidiaries, is engaged in the consumer finance business in North Carolina, South Carolina and Georgia. **Proceeds** — For working capital. **Office**—1009 Wachovia Building, Charlotte, N. C. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Cable Carriers, Inc. (7/18)
March 23, 1961 filed 196,109 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named.

Calandra Photo, Inc.
May 29, 1961 filed 170,000 class A shares, including 50,000 to be sold by the company and 120,000 by stockholders. **Price**—By amendment. **Business**—The processing of photographic film, wholesale distribution of photographic equipment, and operation of retail camera stores. **Proceeds**—For exampansion, equipment, and working capital. **Office**—116 North 42nd Street, Omaha, Neb. **Underwriter**—Cruttenden, Podesta & Co., Chicago (managing).

California Electric Power Co. (7/12)
June 1, 1961 filed $8,000,000 of first mtge. bonds due 1991. **Proceeds** — For the repayment of bank loans. **Office**—2885 Foothill Blvd., San Bernardino, Calif. **Underwriters** — Competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. **Bids**—July 12 (9 a.m. PST) at the office of O'Melveny & Myers, Room 900, 433 South Spring St., Los Angeles.

Cal-Val Research & Development Corp. (7/24-28)
June 16, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Engineering research and development in ground support equipment in the missile, rocket and space fields. **Proceeds**—To repay loans and for general corporate purposes. **Office**—19607 Ventura Boulevard, Woodland Hills, Calif. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C.

Calvideo Electronics, Inc.
May 29, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—18601 S. Santa Fe Ave., Compton, Calif. **Underwriters**—J. K. Norton & Co. and Stern, Zeiff & Co., Inc., New York.

Canada Dry Corp. (7/11-27)
June 8, 1961 filed $7,138,400 of convertible subordinated debentures due July 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of debentures for each 33 shares held of record about July 11, with rights to expire July 27. **Price**—At par. **Business** — The manufacture and distribution of carbonated and alcoholic beverages, extracts and syrups in the U. S. and Canada. **Proceeds**—To prepay short term loans, for expansion and working capital. **Office**—100 Park Ave., New York. **Underwriters**—Eastman Dillon, Union Securities & Co., Hornblower & Weeks and Winslow, Cohu & Stetson, Inc., New York.

• **Canandaigua Enterprises Corp. (7/17-21)**
May 2, 1961 filed $4,000,000 of sinking fund debentures due 1976, 240,000 shares of class A stock, and warrants to purchase 120,000 shares of class A stock to be offered for public sale in units, each consisting of $500 of debentures, 30 class A shares, and 6-year warrants to purchase 15 class A shares at $5 per share. **Price**—To be supplied by amendment. **Business**—The company owns a majority stock interest in Finger Lakes Racing Association, Inc., which is erecting a thoroughbred race track at Canandaigua, New York. The company plans to engage in recreational and entertainment activities and may construct hotels, motels or restaurants adjacent to the race track. **Proceeds**—For construction, working capital and general corporate purposes. **Office**—26 Broadway, New York City. **Underwriter**—S. D. Fuller & Co., New York City (managing).

• **Capital Properties Inc. (7/24-28)**
April 21, 1961 filed $600,000 of 9½% debentures due 1977 and 12,000 shares of common stock to be offered for public sale in units of $1,000 of debentures and 20 common shares. **Price**—$1,000 per unit. **Business**—The company plans to purchase and lease back three buildings to be erected by Tower's Marts, Inc., for use as retail discount department stores. **Proceeds**—For acquisition of the above properties. **Office**—36 Pearl St., Hartford, Conn. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

★ **Capitol Research Industries, Inc.**
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital . **Office**—4206 Wheeler Avenue, Alexandria, Va. **Underwriter**—None.

• **Capital Southwest Corp. (7/18)**
May 8, 1961 filed 1,250,000 shares of common stock. **Price**—$11 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—6517 Hillcrest Avenue, Dallas, Texas. **Underwriter**—Rotan, Mosle & Co., Houston, Texas (managing).

Carrington (George S.) Co.
June 14, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, equipment, inventory, and working capital. **Office**—125 Water St., Leominster, Mass. **Underwriter**—Clayton Securities Corp., Boston, Mass.

★ **Cellomatic Battery Corp.**
June 20, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price** — $2.50. **Proceeds** — For repayment of debt, inventory and working capital. **Office**—300 Delaware Avenue, Archbald, Pa. **Underwriter**—Armstrong & Co., Inc., New York.

Center Laboratories, Inc.
June 20, 1961 filed $200,000 of convertible subordinated debentures due 1976 and 80,000 common shares underlying such debentures, and 70,000 outstanding common shares to be sold by stockholders. **Price**—(Debentures) At par. (Common) $2 per share. **Proceeds**—For construction of a new building. **Office**—Port Washington, N. Y. **Underwriters**—Brand, Grumet & Seigel, Inc., and Kesselman & Co., Inc., New York.

Central Investment Corp. of Denver
June 19, 1961 filed 600,000 common shares. **Price**—$3.75. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—611 Central Bank Building, Denver. **Underwriters**—Boettcher & Co.; Bosworth, Sullivan & Co., Inc., and Peters, Writer & Christensen, Inc., Denver.

Certain-Teed Products Corp. (7/19-8/3)
June 26, 1961 filed 127,632 common shares to be offered for subscription by stockholders on the basis of one new share for each 15 shares held of record about July 19, with rights to expire about Aug. 3. **Price**—By amendment. **Business**—The manufacture of building materials, principally asphalt roofing. **Proceeds**—For working capital. **Office**—120 E. Lancaster Avenue, Ardmore, Pa. **Underwriter**—Lazard Freres & Co., New York (managing).

• **Chalco Engineering Corp.**
Jan. 30, 1961 filed 171,428 shares of common stock. **Price** $3.50 per share. **Business**—The company is engaged in the business of engineering, research, development, manufacturing and installation of custom communication systems and electronic, electro-mechanical and mechanical systems and devices for ground support facilities for missile and space programs of the U. S. Government. The company also manufactures special purpose products sold for military use. **Proceeds**—For the repayment of loans and for working capital. **Office** — 15126 South Broadway, Gardena, Calif. **Underwriter** — **First Broad Street Corp.**, New York City (managing).

★ **Challenger Products, Inc.**
June 30, 1961 filed 125,000 common shares. **Price**—$5. **Proceeds**—For the repayment of debt, purchase of new equipment, and working capital. **Office**—2934 Smallman St., Pittsburgh, Pa. **Underwriter**—Pistell, Crowe, Inc., New York.

Charter Industries, Inc.
June 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The manufacture of molded plastic products. **Proceeds**—For starting up production and plant expansion. **Office**—388 Codwise Ave., New Brunswick, N. J. **Underwriter** — Standard Securities Corp., New York (managing).

Chemonics Corp. (7/17)
Nov. 14, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—Manufacturers of printed circuits for the missile industries. **Proceeds** — For general corporate purposes and working capital. **Office**—990 S. Fairoaks Ave., Pasadena, Calif. **Underwriters**—Grant, Fontaine & Co., Oakland, Calif. (managing); Evans MacCormack & Co., Los Angeles, Calif.; Stone & Youngberg, San Francisco and Sellgren, Miller & Co., Oakland, Calif.

• **Chock Full O' Nuts Corp.**
April 7, 1961 filed $7,500,000 of subordinated debentures, due May 1, 1981. **Price**—To be supplied by amendment. **Business**—The operation of a chain of restaurants in the New York City area, and the packaging and retail sale of coffee. **Proceeds**—For expansion. **Office**—425 Lexington Avenue, New York 17, N. Y. **Underwriter**—F. Eberstadt & Co., New York City (managing).

• **Chrislin Photo Industries Corp. (7/24-28)**
June 15, 1961 ("Reg. A") 50,000 shares of class A stock (par five cents). **Price**—$6. **Business**—Developing and designing products. **Proceeds** — For general corporate purposes. **Office** — 17 Jeffrey Lane, Hicksville, N. Y. **Underwriter**—Lewis Wolf, Inc., New York.

• **Church Builders, Inc. (7/7)**
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Cinema Syndicate, Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business**—The production of motion pictures. **Proceeds**—For the repayment of loans; purchase of equipment; production of four motion pictures, and working capital. **Office**—619 W. 54th St., New York, N. Y. **Underwriter**—Fontana Securities, Inc., New York, N. Y.

• **City Gas Co. of Florida (7/17-21)**
June 15, 1961 filed 112,278 common shares. **Price** — By amendment. **Proceeds**—For repayment of loans, purchase of tank cars, and expansion. **Office**—955 E. 25th Street, Hialeah, Fla. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Clark Equipment Credit Corp.
April 21, 1961 filed $20,000,000 of debentures, series A, due 1981. **Price**—To be supplied by amendment. **Business**—The financing in the U. S and Canada of retail time sales of products manufactured by Clark Equip-

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ment Co., parent. **Proceeds**—For the repayment of debt. **Office**—324 East Dewey Ave., Buchanan, Mich. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York City (managing). **Offering** — Temporarily postponed.

Clarkson Laboratories, Inc.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to engage in the development, manufacture, packaging and sale of industrial chemicals and latex, resins and plastic compounds for industrial and commercial use. **Proceeds**—For plant additions, repayment of debt, and working capital. **Office**—1450 Ferry Avenue, Camden, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York City.

Coastal Acceptance Corp.
June 6, 1961 ("Reg. A") $125,000 of 10-year registered series notes to be offered in denominations of $100 to $1,000. **Price**—At par. **Proceeds**—For working capital. **Office**—36 Lowell St., Manchester, N. H. **Underwriter**—Eastern Investment Corp., Manchester, N. H.

• Color Reproductions, Inc. (7/17-21)
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Columbia Research Group
June 20, 1961 filed 5,000,000 preferred shares (par one cent). **Price**—$1. **Business**—The production of religious and educational phonograph records. **Proceeds**—For general corporate purposes. **Office**—3600 Market Street, Salt Lake City, Utah. **Underwriter**—None.

Components Specialties, Inc.
April 20, 1961 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The importation and sale of electronic subminiature components. **Proceeds** — For repayment of debt; advertising, inventory and working capital. **Office**—3 Foxhurst Road, Baldwin, L. I., N. Y. **Underwriter**—Fund Planning, Inc., New York, N. Y.

Comptometer Corp.
March 31, 1961 filed 160,401 shares of common stock to be offered for subscription by holders of outstanding common stock; 6½% subordinated convertible sinking fund debentures, series A, due 1970; and option agreements for the purchase of common shares. Warrants will be issued on the basis of one right for each common share held on the record date, one right for each share issuable upon conversion of a series A debenture, as if such debenture had been converted, and one right for each share issuable under the option agreements. The warrants will provide that one new share will be issuable for each eight rights tendered. **Price**—To be supplied by amendment. **Business**—The company's activities are organized on a divisional basis—Business Machines, Communications and Electronics, Business Forms, Burke Golf and Worthington Golf Ball Divisions. **Proceeds**—For the repayment of debt and for working capital. **Office**—5600 West Jarvis Ave., Chicago, Ill. **Underwriters** — To be named.

CompuDyne Corp. (7/11)
May 12, 1961 filed 168,000 shares of common stock, of which 120,000 are to be offered for public sale by the company and 48,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The furnishing of instruments and systems for missile sites, and the design, development, assembly and manufacture of electronic and other devices used in the automatic control of aeronautical and missile test facilities. **Proceeds**—For inventory expansion, research and development, the redemption of outstanding 6% debentures due Dec. 1, 1961, and working capital. **Office**—404 South Warminster Rd., Hatboro, Pa. **Underwriter**—Hayden, Stone & Co., New York City (managing).

★ Concrete Designs, Inc.
June 21, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The design, manufacture and installation of pre-cast reinforced concrete buildings and building products. **Proceeds**—For repayment of loans, expansion, inventory and working capital. **Office**— S. W. 44th Avenue, and Griffin Road, Fort Lauderdale, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Conolite, Inc.
June 1, 1961 filed 170,000 class A shares. **Price** — $5. **Business**—Manufacturers "Conolite," a laminate used in the construction, furniture and aircraft industries and for electrical insulation. **Proceeds**—For the purchase of the "Conolite" business of Continental Can Co., Inc.; the repayment of debt; moving expenses, and working capital. **Office**—Suite 414, 52 Broadway, New York. **Underwriter**—Amos Treat & Co., Inc., New York.

★ Consolidated Marine Industries, Inc.
June 20, 1961 filed 200,000 common shares. **Price**—$6. **Business**—A holding company for concerns engaged in the pleasure-boat industry. **Proceeds**—For working capital and other corporate purposes. **Office**—809 Cameron Street, Alexandria, Va. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

Consolidated Production Corp. (7/24-28)
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

Consumers Power Co. (8/15)
June 23, 1961 filed $40,000,000 of first mortgage bonds due Aug. 1, 1991. **Office**—212 West Michigan Ave., Jackson, Mich. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Harriman Ripley & Co., and First Boston Corp. (jointly); Morgan Stanley & Co. **Bids**—Aug. 15, 1961 at 11:30 a.m. (EDST) at 300 Park Ave., New York. **Information Meeting**—Aug. 10, 1961 at 11 a.m. (EDST) at Bankers Trust Co., 2nd floor, 16 Wall St.

Continental Leasing Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter** — H. B. Crandall Co. and Cambridge Securities, Inc., New York.

★ Copycat Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution and sale of photocopy and duplicating machines. **Proceeds**—For working capital, advertising, research and expansion. **Office**—200 Park Ave., S., New York. **Underwriters**—Treves & Co. and Reich & Co., New York.

Cortez Life Insurance Co.
Jan. 12, 1961 filed 500,000 shares of common stock **Price**—$3 per share. **Business**—The company is engaged in the business of writing life insurance, annuity policies and re-insurance. **Proceeds**—For general corporate purposes. **Office**—304 Main St., Grand Junction Colo. **Underwriter**—None.

★ Cosmetic Chemicals Corp.
June 28, 1961 filed 100,000 common shares (par one cent). **Price** — $4. **Business** — The distribution of cosmetics. **Proceeds**—For advertising, sales expenses, inventory, research, working capital and other corporate purposes. **Office**—5 E. 52nd Street, New York. **Underwriter**—Nance-Keith Corp., New York.

Cosmodyne Corp.
June 12, 1961 filed 100,000 common shares. **Price**—By amendment. **Business** — The manufacture of equipment for the storage of super-cold liquids and gases. **Proceeds**—For manufacture of new equipment, repayment of loans; general corporate purposes and working capital. **Office**—3232 W. El Segundo Blvd., Hawthorne, Calif. **Underwriter**—Dean Witter & Co., San Francisco. **Offering**—Expected in Mid-August.

• Cosnat Record Distributing Corp. (7/24-28)
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working capital. **Office**—315 W. 47th St., New York. **Underwriter**—Amos Treat & Co., New York City (managing).

★ Cott Bottling Co., Inc.
June 29, 1961 filed 335,000 common shares of which 170,000 shares are to be offered by the company and 165,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of carbonated beverages. **Proceeds**—To repay loans, increase inventory and for expansion. **Office**—177 Granite Street, Manchester, N. H. **Underwriter**—R. W. Pressprich & Co., New York.

Cressey, Dockham & Co., Inc.
June 15, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Proceeds**—For working capital. **Office**—1 IGA Way, Salem, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Crown Aluminum Industries Corp.
May 1, 1961 filed $2,000,000 of convertible subordinated debentures due 1976. **Price**—To be supplied by amendment. **Business** — The manufacture and distribution of enameled aluminum siding and aluminum accessories. **Proceeds**—For plant expansion, new equipment and the development of new products. **Office**—5820 Center Avenue, Pittsburgh, Pa. **Underwriters** — Adams & Peck; Allen & Co., and Andresen & Co., all of New York City.

★ Custom Farms, Inc.
June 23, 1961 ("Reg. A") 2,491 common shares (no par). **Price** — $100. **Business** — The sale of eggs, poultry and poultry products. **Proceeds** — For repayment of loans, merchandising program and working capital. **Office**—229 S. State St., Dover, Del. **Underwriter**—None.

Custom Shell Homes, Inc.
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

★ Dadan, Inc.
June 29, 1961 ("Reg. A") 160,000 common shares (par 50 cents). **Price**—$1.15. **Business**—The manufacture of games. **Proceeds**—For repayment of loans, development of new products and working capital. **Office**—209 Wilder Bldg., Rochester 14, N. Y. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

Dallas Airmotive, Inc. (7/17-21)
May 26, 1961 filed 390,000 shares of common stock, of which 350,000 shares are to be offered for public sale by the company and 40,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The overhaul of aircraft engines for commercial and military customers. **Proceeds** — For realty acquisitions, the repayment of debt, and for expansion. **Office**—6114 Forest Park Road, Dallas, Texas. **Underwriter**—Eppler, Guerin & Turner, Inc., Dallas.

Data Components, Inc.
June 6, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2. **Business**—The marking and fabrication for metal parts. **Proceeds**—For moving expenses, plant equipment, sales promotion and working capital. **Office** — 2212 McDonald Ave., Brooklyn, N. Y. **Underwriter**—A. J. Frederick Co., Inc., New York.

Datatrol Corp.
April 26, 1961 filed 60,000 shares of common stock. **Price**— $4.25 per share. **Business**—The company acts as a consultant or advisor in matters pertaining to data processing problems and equipment. **Proceeds**—To develop data processing systems and for working capital. **Office**—8113-A Fenton Street, Silver Spring, Md. **Underwriter** — First Investment Planning Co., Washington, District of Columbia.

De-Flectronics, Inc.
April 13, 1961 (letter of notification) 112,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Business** — The manufacture of electronic components and assemblies. **Proceeds** — For the purchase of inventory; manufacturing facilities and working capital. **Office**—50 E. Third St., Mount Vernon, N. Y. **Underwriter**—Theodore Arrin & Co., (managing) and T. M. Kirsch & Co., both of New York City.

Denver Real Estate Investment Fund
May 15, 1961 filed 600,000 shares in the Fund. **Price**—To be supplied by amendment. **Business**—The Fund will offer investors the opportunity to participate jointly in large and diversified real estate investments which offer promise of growth and increased values. **Proceeds**—For investment. **Office**—660 17th Street, Denver, Colo. **Underwriters** — Bosworth, Sullivan & Co., Inc., and Boettcher & Co., both of Denver, Colo. (managing).

Development Corp. of America (7/24-28)
March 30, 1961 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The development and construction of single-family residences and communities in Florida. **Proceeds**—For general corporate purposes. **Office** — 5707 Hollywood Boulevard, Hollywood, Fla. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Devonbrook, Inc. (7/24-28)
June 8, 1961 filed 120,000 outstanding common shares to be sold by stockholders. **Price**—$5. **Business**—Manufacturers of women's apparel. **Proceeds**—For the selling stockholders. **Office**—1400 Broadway, New York. **Underwriter**—Globus, Inc., New York.

• Diamond Crystal Salt Co. (7/13)
May 22, 1961 filed 300,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 916 South Riverside Drive, St. Clair, Mich. **Underwriter**—Kidder, Peabody & Co., New York City (managing).

Diversified Industries, Inc.
June 12, 1961 ("Reg. A") 24,059 7% convertible preferred shares (par $5) to be offered for subscription by common stockholders on the basis of one share of preferred for each 10 shares of common held of record on June 5, 1961. **Price**—About $5 per share. **Proceeds**—To repay debt, and for working capital. **Office**—8450 San Fernando Road, Sun Valley, Calif. **Underwriters**—R. E. Bernhard & Co., Beverly Hills, Calif.; Hardy & Co., New York; Arthur B. Hogan, Inc., Burbank, Calif.; Wedbush & Co. and Wheeler & Cruttenden, Inc., Los Angeles; M. S. Walker & Co., Long Beach, Calif., and V. E. Anderson & Co., Salt Lake City.

Dixon Chemical Industries, Inc.
March 31, 1961 filed $2,046,900 of 6% convertible subordinated income debentures due 1981 being offered for subscription by holders of the company's common stock of record June 20 with rights to expire July 10. **Price**—At par. **Business** — The manufacture of sulfuric acid. **Proceeds**—For the construction of a new plant and for working capital. **Office**—Broad and Hepburn Rd., Clifton, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York City (managing).

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

• Dornost Publishing Co., Inc. (7/31-8/4)
June 14, 1961 filed 100,000 common shares (par one cent). **Price**—$1. **Business**—Magazine publishing. **Proceeds**—For general corporate purposes and working capital. **Office**—43 W. 61st Street, New York. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc., N. Y.

★ Douglas Microwave Co., Inc.
June 29, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of microwave components, test equipment and sub-systems. **Proceeds**—For repayment of loans, research and development, advertising, purchase of equipment and other corporate purposes. **Office**—252 E. 3rd Street, Mount Vernon, N. Y. **Underwriters**—J. R. Williston & Beane and Hill, Darlington & Grimm, New York (managing).

★ Duke Shopping Center Limited Partnership
June 28, 1961 filed 269 units of limited partnerships interests. **Price** — $1,000. **Business** — The acquisition and construction of a shopping center at Alexandria, Va. **Proceeds**—For the purchase of the above property. **Office**—729-15th Street, N. W., Washington, D. C. **Underwriter**—Investor Service Securities, Inc., Washington, D. C.

• Dumas Milner Corp. (7/17-21)
May 24, 1961, filed $2,000,000 of 6% convertible subordinated debentures due 1971, and 400,000 outstanding shares of class A common stock to be offered for public sale by the present holders thereof. The securities will be sold in 200,000 units, each consisting of one $10 par debenture and two class A shares. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of products used in cleaning, sanitation maintenance and household laundering. **Proceeds**—For the repayment of debt and product expansion. **Office**—Jackson, Miss. **Underwriter**—Courts & Co., Atlanta, Ga. (managing).

★ Dunlap & Associates, Inc.
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office** — 429 Atlantic St., Stamford, Conn. **Underwriter** — Dominick & Dominick, New York.

★ Dynamic Gear Co., Inc.
June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offefred by the company and 25,000 shares by a stockholder. **Price** — $3. **Business** — Manufacture of precision instrument gears. **Proceeds**—For purchase and rebuilding of automatic gear-cutting machines, prepayment of a note, inventory, a new plant and for general corporate purposes. **Office**—175 Dixon Avenue, Amityville, N. Y. **Underwriters**—Flomenhaf, Seidler & Co., Inc. and Lomasney, Loving & Co., New York (managing).

★ Dynamic Toy, Inc.
June 30, 1961 ("Reg. A") 81,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of toys. **Proceeds**—For advertising, development of new products expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., New York.

E. C. P. I., Inc.
June 14, 1961 ("Reg. A") 52,500 common shares (par 25 cents). **Price**—$5.50. **Business**—The training of personnel to operate IBM electronic computers and punch card tabulating equipment. **Proceeds** — For expansion and working capital. **Office**—116 W. 14th Street, New York. **Underwriter**—Stern, Zeiff & Co., Inc., New York.

Eastern Air Devices, Inc.
June 16, 1961 filed 150,000 common shares to be offered for subscription by common stockholders of Crescent Petroleum Corp., parent, on the basis of one share for each 10 Crescent shares held. **Business**—The manufacture of power and servo components. **Proceeds**—For the purchase of equipment and other corporate purposes. **Office**—385 Central Avenue, Dover, N. H. **Underwriters**—Sutro Bros. & Co. and Gregory & Sons, New York (managing). **Offering**—Expected in late July.

• Eastern Lime Corp. (7/10)
March 31, 1961 filed $900,000 of subordinated debentures, due 1976. **Price**—At 100% of principal amount. **Business**—The operation of a quarry in Kutztown, Pa., and the production of limestone for cement companies. **Proceeds**—For new equipment and the repayment of debt. **Office**—Kutztown, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia and Warren W. York & Co., Inc., Allentown, Pa. (co-managers).

★ Eckerd Drugs of Florida, Inc.
June 29, 1961 filed 90,000 common shares and $900,000 of 7% convertible subordinated debentures due 1971 to be offered in units consisting of one common share and $10 of debentures. **Price**—By amendment. **Business**—The operation of drug stores. **Proceeds**—To open 5 new stores, repay loans and other corporate purposes. **Office**—3665 Gandy Blvd., Tampa, Fla. **Underwriter**—Courts & Co., Atlanta (managing).

Edo Corp.
June 14, 1961 filed 108,971 common shares. **Price** — By amendment. **Business** — The manufacture of electronic equipment. **Proceeds** — For the selling stockholders. **Office**—1404 111th Street, College Point, N. Y. **Underwriters**—Paine, Webber, Jackson & Curtis and Kidder, Peabody & Co., New York (managing).

Eichler Homes, Inc.
May 16, 1961 filed $2,000,000 of convertible subordinated debentures due June 1, 1973. **Price**—To be supplied by amendment. **Business**—The erection of apartments and homes in So. California. **Proceeds**—For the purchase of additional land. **Office**—Palo Alto, Calif. **Underwriter**—J. S. Strauss & Co., San Francisco, Calif. (managing).

Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriters**—Robert A. Martin Associates, Inc., and Ezra Kureen Co., both of New York City.

Electrarc, Inc. (7/14)
April 21, 1961 filed 100,000 shares of common stock, **Price** — $5 per share. **Business** — The research and development of arc welding and wire shielding. **Proceeds** —For equipment, working capital and miscellaneous expenses. **Office**—505 Washington St., Lynn, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

★ Electro-Miniatures Corp.
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

★ Electro-Temp Systems, Inc.
June 30, 1961 ("Reg. A") 75,000 common shares (par one cent). **Price** $4. **Business**—The sale of refrigeration machinery and equipment. **Proceeds**—For repayment of a loan, inventory, promotion and advertising, and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriters**—Planned Investing Corp., New York and Bayes, Rose & Co., Inc., 39 Broadway, New York.

★ Electronic Instrument Co., Inc.
June 28, 1961 filed 175,000 capital shares, of which 118,000 shares are to be offered by the company and 57,000 shares by a selling stockholder. **Price**—By amendment. **Business** — The manufacture of electronic equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office** — 33-00 Northern Blvd., Long Island City, N. Y. **Underwriter**—Goodbody & Co., New York (managing).

Electronic Products Corp.
May 11, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$2 per share. **Office**—4642 Belair Rd., Baltimore, Md. **Underwriters**—Bertner Bros. and Earl Edden & Co., New York, N. Y.

• Electronics Capital Corp. (7/7)
May 25, 1961 filed 612,463 shares of common stock to be offered for subscription by common stockholders on the basis of one new share for each three shares held. **Price**—To be supplied by amendment. **Business** — The company is licensed under the Small Business Investment Act of 1958 and provides long-term investment capital and management services to small business concerns in the electronics field. **Proceeds**—For investment. **Office**—1400 Fifth Ave., San Diego, Calif. **Underwriter**—Bear, Stearns & Co., New York City (managing).

★ Empire Fund, Inc.
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co. Inc., Chicago.

• Empire Life Insurance Co. of America
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

Engineered Plastics Container Co., Inc.
June 5, 1961 ("Reg. A") 100,000 capital shares (par $1). **Price**—$3. **Proceeds**—For equipment and working machine. **Address**—Anaheim, Calif. **Underwriter**—Francis J. Mitchell & Co., Newport Beach, Calif.

Enterprise Hotel Development Corp.
May 19, 1961 filed 242,000 shares of common stock and 9,680 shares of preferred stock (par $100) to be offered for public sale in units of one preferred and 25 common shares. **Price**—$150 per unit. **Business**—The company was formed by the Commonwealth of Puerto Rico to build and own a luxury, beach-front hotel in San Juan. The hotel will be operated under a 30-year lease by a subsidiary of Sheraton Corp. of America. **Proceeds**—For construction. **Office**—1205 Ponce de Leon Avenue, Santurce, P. R. **Underwriter**—None.

Equitable Leasing Corp.
June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) to be offered for subscription by stockholders. **Price**—$2. **Proceeds** — For advertising and promotion, legal and audit fees, and working capital. **Office**—247 Charlotte St., Asheville, N. Y. **Underwriter**—Courts & Co., Atlanta.

• Equity Capital Corp. (7/7)
April 7, 1961 filed 100,000 shares of common stock (par $1.25). **Price**—To be supplied by amendment. **Business** —The making of short-term construction and second mortgage loans, and the buying of improvement loan obligations from the holders thereof. **Proceeds**—To retire debt and for working capital. **Office** — 430 First Avenue North, Minneapolis, Minn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Ets-Hokin & Galvan, Inc. (7/17-21)
June 1, 1961 filed 209,355 common shares, including 100,000 to be sold by the company and 109,355 by stockholders. **Price**—By amendment. **Business**—Installs electrical and electronic systems in missile installations. **Proceeds** —For general corporate purposes. **Office**—551 Mission St., San Francisco, Calif. **Underwriter** — Van Alstyne, Noel & Co., New York (managing).

Eurofund, Inc.
May 18, 1961 filed 551,250 shares of common stock (par $1) being offered for subscription by stockholders on the basis of one new share for each two shares held of record June 30 with rights to expire July 7, 3:30 p.m. (EDST). **Price** — $16. **Business** — The Fund invests in securities of companies having operations in the Common Market Area of Europe. **Proceeds** — For investment. **Office**—14 Wall Street, New York City. **Underwriters**—Glore, Forgan & Co., (managing); Francis I. du Pont & Co.; Shearson, Hammill & Co., all of New York City.

Fairfield Controls, Inc. (7/10-14)
May 19, 1961 filed 150,000 shares of common stock. **Price** —$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters**—Globus, Inc., and Lieberbaum & Co., both of New York City.

★ Fairmount Chemical Co., Inc.
June 28, 1961 filed 150,000 common shares of which 125,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business** —The manufacture of chemicals. **Proceeds**—For purchase of equipment and the repayment of loans. **Office**—117 Blanchard Street, Newark, N. J. **Underwriter**—Andresen & Co., New York.

Famous Artists Schools, Inc. (7/24-28)
June 13, 1961 filed 336,625 common shares of which 100,000 will be sold by the company and 236,625 by stockholders. **Price** — By amendment. **Business** — The company provides home study courses in the visual arts, writing and photography fields. **Proceeds**—For general corporate purposes. **Office** — 680 Fifth Ave., New York City. **Underwriter**—Bear, Stearns & Co., New York (managing).

• Faradyne Electronics Corp. (7/24-28)
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for woorking capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co.

★ Federal Design Corp.
June 30, 1961 ("Reg. A") 80,000 common shares (par one cent). **Price**—$2. **Business**—The supplying of technical personnel to industry under contract. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—136-04 Northern Blvd., Flushing 54, N. Y. **Underwriter**—None.

• Federal Factors, Inc. (7/17-21)
May 8, 1961 filed $700,000 of 6½% convertible subordinated debentures due 1976 and 70,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—A finance company. **Proceeds**—To repay loans, and for working capital. **Office**—400 S. Beverly Drive, Beverly Hills, Calif. **Underwriters**—Thomas Jay, Winston & Co., Beverly Hills, Calif.; Maltz, Greenwald & Co. and Globus, Inc., New York, N. Y.

★ Federal Manufacturing & Engineering Corp.
June 30, 1961 filed 535,002 common shares of which 92,782 shares will be offered for subscription by stockholders on basis of 1 new share for each 5 shares held, and 92,782 shares offered for subscription by stockholders of Victoreen Instrument Co., parent firm, on the basis of one new share for each Victoreen share held. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—1055 Stewart Ave., Garden City, N. Y. **Underwriter**—None.

Federal Tool & Manufacturing Co.
June 12, 1961 filed 300,000 outstanding common shares. **Price** — $5. **Business**—The manufacture of short-term stampings out of metals. **Proceeds**—For the selling stockholders. **Office**—3600 Alabama Ave., Minneapolis. **Underwriter**—Jamieson & Co., Minneapolis.

★ Fidelity Small Business Investment Co.
June 28, 1961 filed 200,000 common shares to be offered for subscription by stockholders on the basis of two new shares for each share held. **Price**—$6.25. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—2338 Central Avenue, N. E., Minneapolis. **Underwriter**—None.

Fifth Dimension Inc. (7/24-28)
May 25, 1961 filed 60,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The design, development, manufacture and sale of precision instruments for measurement and control applications. **Proceeds** — For research and new product development. **Office**—P. O. Box 483, Princeton, N. J. **Underwriter**—Milton D. Blauner & Co., Inc., New York (managing).

First Diversified Fund
May 15, 1961 filed 20,000 shares of the Fund. **Price**—$100 per share. **Business**—The Fund was organized in May, 1961, to provide investors with an opportunity to own an interest in diversified income-producing properties, chiefly real estate. **Proceeds**—For investment. **Office**—627 Salem Avenue, Dayton, Ohio. **Sponsor**—The Dahio Co., Dayton, Ohio.

First Mortgage Fund (7/24-28)
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y.

First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

First Small Business Corp. of New Jersey (7/7)
April 18, 1961 filed 300,000 shares of capital stock (par $1), to be offered for public sale by the present holder thereof. **Price** — $12.50 per share. **Business** — A small business investment company organized in July, 1960, by the National State Bank of Newark, sole stockholder. **Proceeds**—For investment and working capital. **Office**—810 Broad St., Newark, N. J. **Underwriters**—Shearson, Hammill & Co., New York City and Heller & Meyer, East Orange, N. J.

First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. **Price** —$12.50 per share. **Proceeds** — To provide investment capital. **Office**—Tampa, Fla. **Underwriter**—None.

• First Surety Corp. (8/4)
May 31, 1961 filed 754,730 outstanding shares of capital stock to be offered for sale by stockholders. **Price**—By amendment. **Business**—The company owns Surety Sav-

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ings & Loan Association, a California corporation; operates an insuranec agency, and acts as a trustee under deeds of trust. **Office**—237 Olive Ave., Burbank, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis (managing).

★ Fischbach & Moore, Inc.
June 29, 1961 filed 50,000 outstanding common shares. **Price**—By amendment. **Business**—Electrical contracting on office buildings, industrial plants and missile, radar and power plant installations. **Proceeds**—For the selling stockholders. **Office** — 545 Madison Ave., New York. **Underwriter**—Allen & Co., New York (managing).

Flato Realty Fund
April 21, 1961 filed 2,000,000 shares of participation in the Fund. **Price**—$10 per share. **Business**—A new real estate investment trust. **Proceeds** — For investment. **Office**—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. **Distributor**—Flato, Bean & Co., Corpus Christi.

Flora Mir Candy Corp.
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Co. and Planned Investing Corp. all of New York City.

Florida Capital Corp.
June 23, 1961 filed 488,332 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—396 Royal Palm Way, Palm Beach, Fla. **Underwriter**—A. C. Allyn & Co., New York (managing).

● Florida Steel Corp. (7/24-28)
June 8, 1961 filed 100,000 common shares to be sold by stockholders. **Price** — By amendment. **Business** — The fabricating and warehousing of steel products. **Proceeds**—For the selling stockholders. **Office**—1715 Cleveland St., Tampa, Fla. **Underwriters**—McDonald & Co., Cleveland and Kidder, Peabody & Co., New York (managing).

● Foamland U. S. A., Inc.
June 22, 1961 filed 150,000 common shares, of which 90,000 shares are to be offered by the company and 60,000 shares by the stockholders. **Price**—$5. **Business**—The manufacture and retail sale of household furniture. **Proceeds**—For acquisition of new stores, development of new furniture items, working capital and other corporate purposes. **Office** — Cherry Valley Terminal Road, West Hempstead, N. Y. **Underwriter** — Fialkov & Co., Inc., New York (managing). **Offering**—Expected in early September.

★ Fotochrome Inc.
June 29, 1961 filed $3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding common shares. The debentures are to be offered by the company and the stock by stockholders. **Price** — By amendment. **Business** — The processing of photographic films; the wholesaling of photographic supplies and the development and sale of film processing. **Proceeds** — For construction of a new plant, purchase of equipment, moving expenses and for other corporate purposes. **Office**—1874 Washington Ave., New York. **Underwriters**—Shearson, Hammill & Co., and Emanuel, Deetjen & Co., New York.

Fox-Stanley Photo Products, Inc.
March 29, 1961 filed 387,500 shares of common stock (par $1) of which 50,000 shares are to be offered for public sale by the company and 337,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—In May 1961 the company plans to take over the businesses of The Fox Co., San Antonio, Tex., and the Stanley Photo Service, Inc., St. Louis, Mo., which are now engaged in the processing of photographic films and the sale of photographic equipment. **Proceeds**—For working capital and possible future acquisitions. **Office**—1734 Broadway, San Antonio, Tex. **Underwriter**—Equitable Securities Corp., Nashville, Tenn. **Offering**—Expected in mid-August.

Frederick-Willys Co., Inc.
April 20, 1961 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—$1.15 per share. **Business**—Manufacture of family recreation equipment. **Proceeds**—To repay debt, purchase additional equipment, for research and development, and working capital. **Office**—6519 Nicollet Avenue, Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Frontier Airlines, Inc.
March 16, 1961 filed 250,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Business**—The transportation by air of passengers, property and mail between 66 cities in 11 states. **Proceeds**—For the selling stockholders. **Office** — 5900 E. 39th Ave., Denver, Colo. **Underwriter**—To be named.

● G-W Ameritronics, Inc. (7/7)
Jan. 25, 1961 filed 80,000 shares of common stock and 160,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office**—Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa. **Note**—This company plans to change its name to G-W Industries.

Garan Inc. (7/24-28)
May 29, 1961 filed 120,000 shares of common stock. **Price**—$6.50 per share. **Business**—The manufacture of men's and boys' sport shirts. **Proceeds**—To equip a new plant at Lambert, Miss., and for working capital. **Office**—112 W. 34th Street, New York City. **Underwriter**—J. R. Williston & Beane, New York City (managing).

Gelman Instrument Co.
June 6, 1961 ("Reg. A") 50,000 common shares (no par). **Price**—$6. **Proceeds**—For repayment of debt, purchase of equipment, research and development, and working capital. **Office**—106 N. Main Street, Chelsea, Mich. **Underwriter**—Robert A. Martin Associates, Inc., N. Y.

● General Acceptance Corp. (7/7)
June 7, 1961 filed $15,000,000 of convertible subord. debentures due June 1, 1981. **Price**—By amendment. **Business**—A finance company. **Proceeds**—For working capital. **Office**—1105 Hamilton St., Allentown, Pa. **Underwriters**—Paine, Webber, Jackson & Curtis and Eastman Dillon, Union Securities & Co., New York (managing).

General Life Insurance Corp. of Wisconsin
June 16, 1961 filed 348,400 common shares to be offered for subscription by stockholders on the basis of one new share for each two and one-half shares held. **Price**—By amendment. **Proceeds**—For expansion and other corporate purposes. **Office**—8500 W. Capitol Drive, Milwaukee. **Underwriter**—Piper, Jaffray & Hopwood, Minneapolis (managing).

General Spray Service, Inc.
June 23, 1961 filed 90,000 class A common shares and warrants to purchase 90,000 class A common shares to be offered in units, each unit consisting of one class A share and one two-year warrant. **Price**—$3.50 per unit. **Business** — The manufacture of a spraying machine. **Office**—156 Katonah Ave., Katonah, N. Y. **Underwriter**—Ross, Lyon & Co., Inc., New York (managing).

★ Geoscience Instrument Corp.
June 22, 1961 ("Reg. A") 125,000 common shares (par one cent). **Price**—$1. **Business**—The preparation of minerals and metals for the electronic, metallurgical and geoscientific industries. **Proceeds** — For repayment of loans, purchase of equipment, expansion, working capital and other corporate purposes. **Office**—110-116 Beekman St., New York. **Underwriter** — First Philadelphia Corp., New York.

Getz (William) Corp.
June 6, 1961 filed 105,000 shares of common of which 80,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price** — By amendment. **Business**—Company manufactures dental supplies. **Proceeds**—For repayment of a bank loan and general corporate purposes. **Office**—7512 S. Greenwood Ave., Chicago. **Underwriter**—Bacon, Whipple & Co., Chicago.

Giannini Scientific Corp.
Feb. 27, 1961 (letter of notification) 30,000 shares of common stock (par 10 cents). **Price** — $10 per share. **Business**—Research, development and manufacturing in technological fields. **Proceeds** — For general corporate purposes. **Office**—30 Broad Street, New York, N. Y. **Underwriter**—Kidder, Peabody & Co., Inc., New York, N. Y.

Gibbs (T. R.) Medicine Co., Inc.
May 26, 1961 filed 110,000 shares of class A stock. **Price**—$3 per share. **Business**—The manufacture, marketing and distribution of proprietary drug products. **Proceeds**—For advertising and general corporate purposes. **Office**—1496 H Street, N. E., Washington, D. C. **Underwriter**—None.

● Gilbert Data Systems, Inc. (7/10-14)
April 14, 1961 filed 175,000 shares of common stock. **Price**—$2 per share. **Business**—The affixing of price tags, packing, warehousing of apparel and other services for department and chain stores. **Proceeds**—For plant additions, repayment of debt and working capital. **Office**—441 Ninth Ave., New York City. **Underwriter**—Schrijver & Co., New York City.

Gilbert Youth Research, Inc.
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business** — The company conducts consumer research, does telephone sales promotion and prepares articles and books which are related to or relate to merchandising advice to the teenage youth and student fields. **Proceeds**—For working capital. **Office**—205 E. 42nd Street, New York City. **Underwriter**—McDonnell & Co., N. Y.

★ Gloray Knitting Mills, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—By amendment. **Business** — The manufacture of boys and mens' knitted sweaters. **Proceeds**—For general corporate purposes. **Office**—Robesonia, Pa. **Underwriter**—Shields & Co., New York (managing).

● Goodway Printing Co. (7/17)
May 23, 1961 filed 247,500 shares of no par capital stock, of which 60,000 shares are to be offered for public sale by the company and 187,500 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—Commercial printing and the publication of technical journals for prime defense contractors. **Proceeds**—For working capital. **Office**—4030 Chestnut St., Philadelphia, Pa. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Gordon & Breach, Science Publishers, Inc.
April 21, 1961 (letter of notification) 80,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Business**—Publishers of scientific textbooks. **Proceeds**—For working capital. **Office** — 150 Fifth Avenue, New York. **Underwriter**—First Weber Securities Corp., N. Y.

● Gordon Jewelry Corp. (7/7)
May 5, 1961 filed 140,000 shares of class A stock. **Price**—To be supplied by amendment. **Business**—The company conducts a retail credit jewelry business and has two life insurance subsidiaries. **Proceeds**—For expansion. **Office**—Stewart Bldg., Houston, Texas. **Underwriter** — Paine, Webber, Jackson & Curtis, New York City (managing).

Gordon (I.) Realty Corp.
June 20, 1961 filed 320,000 common shares. **Price**—$5. **Business**—Real estate investment. **Proceeds**—For general corporate purposes. **Office** — 112 Powers Bldg., Rochester, N. Y. **Underwriter**—George D. B. Bonbright & Co., Rochester, N. Y.

Granco, Inc.
June 6, 1961 ("Reg. A") 60,000 class A common shares (par $1). **Price**—$5. **Proceeds**—For opening of new discount concessions and working capital. **Office**—2 Geary Street, San Francisco, Calif. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Greater Arizona Mortgage Co.
May 1, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Office**—Mayer Central Building, Suite 115, Phoenix, Ariz. **Underwriters**—Henry Fricke Co., New York, N. Y. and Preferred Securities, Inc., Phoenix, Ariz.

Greene (M. J.) Co.
June 14, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Proceeds** — For expansion, and working capital. **Office**—14 Wood St., Pittsburgh. **Underwriter**—Hess, Grant & Remington, Inc., Philadelphia.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing). **Offering**—Expected in late July.

Gulf-Southwest Capital Corp. (7/17-21)
May 19, 1961 filed 1,250,000 shares of common stock. **Price** — To be supplied by amendment. **Business** — The company is licensed as a small business investment concern. **Proceeds**—For investment. **Office**—Esperson Building, Houston, Texas. **Underwriters**—Harriman Ripley & Co., New York City and Underwood, Neuhaus & Co., Inc., Houston (managing).

Hagar Inc.
March 31, 1961 filed 200,000 shares of common stock (no par). **Price**—$5. **Business**—The financing and sale of household food freezers and frozen foods to the consumer. **Proceeds**—For the repayment of debt and working capital. **Office** — 2926 Fairfield Ave., Bridgeport, Conn. **Underwriter** — Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Imminent.

Harn Corp.
June 20, 1961 filed 150,000 common shares of which an undisclosed number will be offered by the company for subscription by stockholders and the balance (amounting to $300,000 after underwriting commissions) by a stockholder. **Price**—By amendment. **Business**—The manufacture of products for baby care such as quilts, pillows, knitted garments, etc. **Proceeds**—For the repayment of loans, purchase of raw materials and equipment, leasehold improvements, and working capital. **Office**—1800 E. 38th St., Cleveland. **Underwriter**—J. R. Williston & Beane, New York (managing).

Handmacher-Vogel, Inc. (7/10-14)
May 17, 1961 245,000 shares of common stock, of which 94,950 shares are to be offered for public sale by the company and 120,050 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of women's suits and costumes. **Proceeds**—For the purchase of equipment and inventory and for plant modernization. **Office**—533 7th Ave., New York City. **Underwriter** — Butcher & Sherrerd, Philadelphia, Pa.

● Hanover Insurance Co.
June 16, 1961 filed 150,500 capital shares. **Price** — By amendment. **Proceeds**—To increase capital. **Office**—111 John Street, New York. **Underwriters**—First Boston Corp. and R. W. Pressprich & Co., New York (managing).

Harper (H. M.) Co.
June 15, 1961 filed 180,000 common shares (par $1) of which 150,000 shares will be sold by the company and 30,000 shares by stockholder. **Price** — By amendment. **Business**—The manufacture of stainless steel and nonferrous corrosion resistant fasteners and parts. **Proceeds**—For working capital. **Office**—8200 Lehigh Ave., Morton Grove, Ill. **Underwriter** — Blunt Ellis & Simmons, Chicago.

Harvey Aluminum (Inc.) (7/11)
May 16, 1961 filed 1,000,000 shares of class A common stock. **Price**—To be supplied by amendment. **Business**—The production of primary aluminum and aluminum mill products. **Proceeds**—For expansion. **Office**—19200 So. Western Ave., Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co., Inc., and Tucker, Anthony & R. L. Day, both of New York City (managing).

Harvey House, Inc. (7/17-21)
May 8, 1961 filed 140,000 shares of common stock. **Price**—$3 per share. **Business**—The publication and distribution of educational books and materials. **Proceeds** — For expansion and the repayment of debt. **Office**—5

South Buckout Street, Irvington-on-Hudson, New York. **Underwriter**—Michael G. Kletz & Co., New York City (managing).

Hathaway Instruments, Inc.
May 5, 1961 filed 351,280 shares of common stock, of which up to 90,000 shares are to be offered for public sale by the present holders thereof and the balance by the company. **Price** — At-the-market at time of sale. **Business**—The design, manufacture and sale of electric power recording instruments. **Office**—2401 E. Second Avenue, Denver, Colo. **Underwriters**—Bear, Stearns & Co. and Wertheim & Co., New York, N. Y. **Note**—This statement will be withdrawn. The company is expected to merge with Lionel Corp.

Hazeltine Investment Corp.
June 5, 1961 filed 13,000 5% preferred shares ($100 par) and 13,000 common shares to be offered for sale in units of one preferred and one common share. **Price**—$101 per unit. **Business**—The acquisition and development of real estate. **Proceeds** — For investment, repayment of debt, and working capital. **Office**—660 Grain Exchange, Minneapolis. **Underwriter**—None.

Hickory Industries, Inc.
March 9, 1961 (letter of notification) 25,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Business** — Manufacturers of barbecue machines and allied equipment. **Proceeds** — For general corporate purposes. **Office**—10-20 47th Road, Long Island City, N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York, N. Y. **Offering**—Imminent.

★ **Hilco Homes Corp.**
June 30, 1961 filed $650,000 of 6½% convertible subordinated debentures due 1979 and 195,000 common shares to be offered for public sale in 6,500 units, each consisting of one $100 debenture and 30 common shares. **Price** — By amendment. **Proceeds** — To organize a new finance subsidiary, for plant expansion, and for working capital. **Office**—70th St., and Essington Ave., Philadelphia. **Underwriter**—Rambo, Close & Kerner, Inc. Philadelphia.

Home-Maker Stores, Inc.
May 17, 1961 (letter of notification) 85,700 shares of common stock (par $2.50). **Price**—$3.50 per share. **Office**—2306 Foshay Tower, Minneapolis, Minn. **Underwriter**—M. H. Bishop & Co., Minneapolis, Minn.

Houston Corp.
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

● **Howe Plastics & Chemical Companies, Inc.**
March 29, 1961 (letter of notification) 40,000 shares of common stock (par one cent). **Price**—At-the-market. **Business**—The manufacture of plastic items. **Proceeds**—For the repayment of debt; advertising and sales promotion; expansion and working capital. **Office**—4077 Park Avenue, Bronx 57, N. Y. **Underwriter**—J. I. Magaril & Co., New York, N. Y. **Offering**—Imminent.

● **Hunt Foods & Industries Inc.**
May 23, 1961 filed $38,799,500 of convertible subordinated debentures due July 1, 1986, being offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 12 shares held of record June 28 with rights to expire July 14. **Price**—At par. **Business**—The company processes, packages and distributes food and grocery products. **Proceeds**—For construction and working capital. **Office**—Fullerton, Calif. **Underwriter** — Goldman, Sachs & Co., New York City (managing).

● **Hupp Systems, Inc.**
June 15, 1961 ("Reg. A") 50,000 class A common shares (par 10 cents). **Price**—$3. **Proceeds**—For inventory, research and development, and working capital. **Office**—Commerce Center Industrial Park, Highway 301, North Sarasota, Fla. **Underwriter**—To be named.

Hydro-Space Technology, Inc. (7/24-28)
May 12, 1961 filed 300,000 shares of common stock, of which 155,000 shares are to be offered for public sale by the company and 145,000 outstanding shares by the present holders thereof. **Price**—$3 per share. **Business**—The design, engineering, production and sale of cartridge actuated devices, the evaluation of propulsion systems and propellants, and the production of buoyancy devices for underwater research and defense. **Proceeds**—For new equipment and facilities, the repayment of loans and working capital. **Office**—West Caldwell, N. J. **Underwriters**—Michael G. Kletz & Co., Inc., and John H. Kaplan & Co., both of New York City.

Hydrodyne Industries, Inc.
May 19, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $2.50 per share. **Business** — The manufacture of hydraulic components. **Proceeds** — For purchase of equipment and inventory; marketing and sales promotion; repayment of loans; research and development; moving expenses and installation costs; preparation of catalogues and other literature; reserves and general corporate purposes. **Office** — 15 Holman Boulevard, Hicksville, L. I., N. Y. **Underwriter**—United Planning Corp., Newark, N. J.

Hydroswift Corp.
Oct. 20, 1960 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The firm, which was organized in February, 1957, makes and wholesales products and services for the fiberglass industry, including particularly fiberglass boats known as "HydroSwift" and "Skyliner." **Proceeds**—For general funds, including expansion. **Office**—1750 South 8th Street, Salt Lake City, Utah. **Underwriter** — Whitney & Co., Salt Lake City, Utah. **Note**—This offering has been temporarily postponed.

● **I C Inc.**
June 29, 1960 filed 600,000 shares of com. stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Building, Denver, Colo. **Underwriter**—Industrial Securities Corp., Denver, Colo. **Offering**—Expected in September.

I T A Electronics Corp.
April 7, 1961 (letter of notification) 60,000 shares of common stock. **Price**—$5 per share. **Business**—Manufactures electronic equipment and components. **Proceeds**—For general corporate purposes. **Office**—Lansdown, Pa. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Ihnen (Edward H.) & Son, Inc. (7/24-28)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., New York City.

Income Planning Corp. (7/10-14)
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds**—To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Income Properties, Inc. (7/10)
March 31, 1961 filed 150,000 shares of class A stock (par 50 cents). **Price**—$9.75 per share. **Business**—Formerly known as Price Investors Corp., the company owns and operates six apartment houses and plans to construct two more. **Proceeds**—To repay debt and for working capital. **Office**—1801 Dorchester Road, Brooklyn, N. Y. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York City (managing).

Independence Life Insurance Co. of America (7/18)
May 24, 1961 filed 150,000 shares of capital stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The writing of life and disability insurance, principally in southern California. **Proceeds**—To be added to the company's general funds. **Office**—99 South Lake Ave., Pasadena, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Industrial Control Products, Inc.
March 10, 1961 filed 165,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The engineering, designing and precision machining of electronic components. **Proceeds** — For research and development, inventory, equipment, start-up costs of semi-conductor production, and for working capital. **Office**—78 Clinton Rd., Caldwell Township, N. J. **Underwriter** — Edward Hindley & Co., New York City.

★ **Industrial Electronic Hardware Corp.**
June 29, 1961 filed $1,000,000 of 6% convertible subordinated debentures due Aug. 1, 1976 to be offered by the company and 25,000 outstanding common shares by the stockholders (par 50c). **Price**—For debentures—100%; For stock—By amendment. **Business**—The manufacture of basic component parts for the electrical and electronic equipment industry. **Proceeds**—For expansion, inventory, introduction of new products and general corporate purposes. **Office**—109 Prince Street, New York. **Underwriter**—S. D. Fuller & Co., New York (managing).

★ **Industrial Gauge & Instrument Co., Inc.**
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $3. **Business** — The sale of industrial gauges, valves and allied products. **Proceeds**—For production, inventory, working capital and repayment of loans. **Office**—1403 E. 180th St., New York 69, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York.

Industrial Materials, Inc.
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Business**—The manufacture of a new patented fiber glass material to be used in rocket motor cases. **Proceeds**—For expenses, equipment and working capital. **Office**—1025 Shoreham Bldg., Washington, D. C. **Underwriter**—Atlantic Equities Co., Washington, D. C.

● **Inland Life Insurance Co. (7/7)**
May 18, 1961 filed 375,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The writing of non-participating ordinary life and group life insurance. **Proceeds**—For investment and general corporate purposes. **Office**—175 W. Jackson Blvd., Chicago. **Underwriter**—A. G. Becker & Co., Chicago (managing).

★ **Instrument Systems Corp.**
June 28, 1961 filed 150,000 common shares (par 25 cents). **Price**—$5. **Business**—The manufacture of precision instruments and controls for the aircraft and electronics industries. **Proceeds**—For expansion and working capital. **Office**—129-07 18th Avenue, College Point, N. Y. **Underwriter** — Milton D. Blauner & Co. (managing), M. L. Lee & Co., Inc., Lieberbaum & Co., New York.

International Cablevision Corp. (7/17-21)
May 23, 1961 filed 164,850 shares of class A common stock. **Price**—$10 per share. **Business**—The construction and operation of television cable systems. **Proceeds**—For expansion, general corporate purposes, and to offset deficits anticipated during the commencement of certain Florida operations. **Office**—New York City. **Underwriter**—James Anthony & Co., Inc., New York (managing).

International Marine, Inc.
May 29, 1961 ("Reg. A.") 75,000 common shares (par one cent) of which 60,000 are to be sold by the company and 15,000 by the underwriter. **Price**—$4. **Proceeds**—For repayment of debt, advertising, inventory, and working capital. **Office**—790 N. E. 79th St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

International Parts Corp.
June 20, 1961 filed 300,000 outstanding class A common shares to be sold by stockholders. **Price**—By amendment. **Business**—The sale of replacement parts for automobiles. **Proceeds**—For the selling stockholders. **Office**—4101 W. 42nd Place, Chicago. **Underwriter** — H. M. Byllesby & Co., Chicago.

● **International Silver Co.**
May 16, 1961 filed $7,822,000 of convertible subordinated debentures due Aug. 1, 1981 being offered for subscription by common stockholders on the basis of $100 of debentures for each 15 shares held of record June 30 with rights to expire about July 17. **Price** — At par. **Business**—The manufacture and sale of silverware, flatware and table accessories. **Proceeds**—For the retirement of such 7% cumulative preferred shares as are tendered to the company during a period commencing June 12. **Office**—500 South Broad St., Meriden, Conn. **Underwriter**—Lehman Brothers, New York City (managing).

Interstate Department Stores, Inc. (7/24-28)
June 15, 1961 filed $5,859,400 of convertible subordinated debentures due Aug. 1, 1981 to be offered for subscription by common stockholders on the basis of $100 of deben. for each 20 shares held. **Price**—At par. **Business**—Operation of department stores. **Proceeds**—For expansion, working capital and other corporate purposes. **Office**—111 Eighth Ave., New York. **Underwriters**—Lehman Brothers and Shearson, Hammill & Co., New York (managing).

Invesco Collateral Corp.
March 6, 1961 filed $900,000 of 6% registered subordinated debentures to be offered in three series of $300,000 each, due June 30, 1965, 1966 and 1967, respectively. **Price**—$4,315; $4,190 and $4,079 per $5,000 of debentures. **Business**—The company, a wholly-owned subsidiary of Investors Funding Corp. of New York was organized under New York law in June, 1960, to purchase, invest in and sell real estate mortgages. **Proceeds**—For investment. **Office**—511 Fifth Avenue, New York City. **Underwriter**—None.

Israel-America Hotels, Ltd.
June 8, 1961 filed 1,250,000 ordinary shares. **Price**—$1 per share, payable in cash or State of Israel bonds. **Business**—The operation of hotels. **Proceeds**—For construction and operation of a hotel at Herzlia, Israel. **Address**—Tel Aviv, Israel. **Underwriter**—Brager & Co., New York.

"Isras" Israel-Rassco Investment Co. Ltd.
March 27, 1961 filed 30,000 shares of ordinary stock. **Price**—$62 per share. The company may, but is not obligated to, accept payment in State of Israel bonds. **Proceeds**—For the construction of hotels, office buildings, housing projects and the like. **Office**—Tel Aviv, Israel. **Underwriter**—None.

● **Ivest Fund, Inc.**
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business**—A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office** — One State Street, Boston, **Underwriter**—Ivest, Inc., One State Street, Boston. **Offering**—Expected in late July.

Jackson-Commerce Realty Co.
June 16, 1961 filed $6,780,000 of limited partnership interests to be offered publicly in units. **Price**—$10,000 per unit. **Business**—Real estate. **Proceeds**—For working capital and possible acquisitions. **Office**—1440 Broadway, New York. **Underwriter**—None.

Jefferson Counsel Corp.
March 13, 1961 filed 30,000 shares of class B common stock (non-voting). **Price**—$10 per share. **Business**—The company was organized under Delaware law in January 1961 to sponsor the organization of the Jefferson Growth Fund, Inc., a new open-end diversified investment company of the management type. **Proceeds**—For organizational and operating expenses. **Office**—52 Wall St., New York City. **Underwriter**—None.

Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 64,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., New York, N. Y.

● **Kane-Miller Corp. (7/24)**
May 17, 1961 filed 120,000 shares of common stock. **Price**—$5 per share. **Business**—The company is a wholesaler and distributor of grocery products to institutions, restaurants, steamship lines and the like. **Proceeds**—For inventory, and working capital. **Office** — 81 Clinton Street, Yonkers, N. Y. **Underwriters**—Netherlands Securities Co., Inc., and Seymour Blauner Co., both of New York City and J. J. Bruno & Co., Pittsburgh, Pa.

★ **Keller Corp.**
June 29, 1961 filed $1,200,000 of 6½% convertible subordinated debentures due 1968. **Price**—At 100%. **Busi-**

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ness—The development of land, construction of homes and related activities in Florida. **Proceeds**—For repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., New York (managing).

Keltner Electronics, Inc.
May 31, 1961 ("Reg. A.") 150,000 common shares (par 25 cents). **Price**—$1. **Proceeds**—For research, working capital and repayment of debt. **Office**—1045 W. Hampden St., Englewood, Colo. **Underwriter**—Schmidt, Sharp, McCabe & Co., Inc., 1717 Stout St., Denver, Colo.

Kirk (C. F.) Laboratories, Inc.
June 16, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of pharmaceuticals. **Proceeds**—For repayment of a loan, purchase and installation of equipment, development and promotion of new products and for working capital. **Office**—521 W. 23rd Street, New York. **Underwriter**—Hill, Darlington & Grimm, New York (managing).

Knickerbocker Biologicals, Inc.
Dec. 23, 1960, filed 100,000 outstanding shares of class A stock. Price—$6 per share. Business—The manufacture, packaging and distribution of a line of diagnostic serums and cells used for the purpose of blood grouping and testing. The company also operates blood donor centers in New York and Philadelphia. Proceeds—For the selling stockholders. Office—300 West 43rd Street, New York City. Underwriter—None.

Krystinel Corp.
April 12, 1961 filed 90,000 shares of class A stock. **Price**—$2.50 per share. **Business**—The company produces ferrites, which are ceramic-like materials with magnetic properties, and conducts a research and development program for ferrite products. **Proceeds**—For the repayment of a loan, research and development, new equipment and working capital. **Office**—P. O. Box 6, Fox Island Road, Port Chester, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Schrijver & Co., both of New York City.

Lafayette Realty Co.
April 28, 1961 filed 129.3 limited partnership interests. **Price**—$5,000 per interest. **Business**—The partnership owns a contract to purchase the fee title to the Lafayette Building in Detroit, Mich. **Proceeds**—To purchase the above property. **Office**—18 E. 41st Street, New York City. **Underwriter**—Tenney Securities Corp., 18 E. 41st Street, New York City.

Lanvin-Parfums, Inc.
May 17, 1961 filed 440,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The importation and distribution in the U. S. of French perfumes. **Proceeds**—To E. L. Cournand, the issuer's president, selling stockholder. **Office** — 767 5th Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

"Lapidoth" Israel Oil Prospectors Corp. Ltd.
Oct. 27, 1960 filed 1,500,000 ordinary shares. Price—To be supplied by amendment, and to be payable either totally or partially in Israel bonds. Business—The company was organized in October 1959 as a consolidation of individual and corporate licensees who had been operating in the oil business as a joint venture. Proceeds—For exploration and development of oil lands. Office—32 Rothschild Blvd., Tel-Aviv, Israel. Underwriter—None.

Lease Plan International Corp. (7/31-8/4)
June 14, 1961 filed 125,000 common shares, of which 40,000 shares are to be offered by the company and 85,000 shares by stockholders. **Price**—By amendment. **Business**—The leasing of trucks and cars. **Proceeds**—To repay loans and for working capital. **Office**—9 Chelsea Place, Great Neck, N. Y. **Underwriter**—Hayden, Stone & Co., New York (managing).

Lewis & Clark Marina, Inc.
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter**—E. W. Behrens & Co., Inc., Sioux Falls, S. D. **Note** — E. W. Behrens & Co., is no longer underwriting this issue. The new underwriter is The Apache Investment Planning Division of the Apache Corp., Minneapolis.

★ Liberty Real Estate Trust of Florida
June 30, 1961 filed 2,500,000 shares of beneficial interest in the Trust to be offered in exchange for real property, interests in real property and mortgages on property in Florida. **Price**—$10 per share. **Office**—1230 N. Palm Ave., Sarasota, Fla. **Underwriter** — Liberty Securities Corp., Sarasota, Fla.

Lincoln Fund, Inc.
March 30, 1961 filed 951,799 shares of common stock. **Price** — Net asset value plus a 7% selling commission. **Business** — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. **Proceeds**—For investment. **Office**—300 Main St., New Britain, Conn. **Distributor**—Horizon Management Corp., New Britain.

● Lithonia Lighting, Inc. (7/10-14)
May 23, 1961 filed 226,000 shares of common stock of which 136,000 shares are to be sold for the account of the company and 90,000 shares for certain selling stockholders. Price—To be supplied by amendment. Business—The manufacture of fluorescent lighting fixtures for commercial, institutional and industrial buildings. Office—Conyers, Ga. Underwriters—Bache & Co., New York City and Robinson-Humphrey Co., Inc., Atlanta, Ga.

Long Island Bowling Enterprises, Inc.
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—$3 per share. Business—The operation of bowling alleys. Proceeds—For general corporate purposes. Address—Mattituck, L. I., N. Y. Underwriter—Tau Inc New York, N. Y.

Long Island Lighting Co.
June 2, 1961 filed $25,000,000 of first mtge. bonds, series L, due 1991. **Proceeds**—For construction. **Office**—250 Old Country Road, Mineola, N. Y. **Underwriters**—Competitive bidding. Probable bidders: Halsey, Stuart & Co Inc.; First Boston Corp., and Blyth & Co., Inc. (jointly); W. C. Langley & Co. and Smith, Barney & Co. (jointly). **Offering**—Expected in late July.

Lytton Financial Corp. (8/18)
March 30, 1961 filed 300,000 shares of capital stock. Price—To be supplied by amendment. Business—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through a subsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. Proceeds—To repay loans and for working capital. Office — 8150 Sunset Boulevard, Hollywood, Calif. Underwriters—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., New York City (managing).

M. B. M. Corp.
May 26, 1961 ("Reg. A.") $300,000 of 6½% sinking fund equipment notes to be offered in units of $1,000. **Price**—At par. **Proceeds**—For repayment of loans, and working capital. **Office**—1331 S. 20th St., Omaha, Neb. **Underwriter**—First Trust Co. of Lincoln, Neb.

M-G, Inc. (7/10)
May 26, 1961 ("Reg. A") 100,000 class A common shares (par $1). **Proceeds** — For new equipment, construction, and working capital. **Address** — Weimar, Tex. **Underwriter**—Rowles, Winston & Co., Houston, Tex.

★ MPO Videotronics, Inc.
June 28, 1961 filed 60,000 common shares. **Price**—By amendment. **Business**—The production of television commercials and motion pictures for industry. **Proceeds**—For expansion. **Office**—15 E. 53rd Street, New York. **Underwriter**—Francis I. duPont & Co., New York (managing).

Magna Pipe Line Co. Ltd. (7/24-28)
June 1, 1961 filed 750,000 common shares, of which 525,000 will be offered for sale in the U. S., and 225,000 in Canada. **Price**—By amendment. **Business**—The company plans to build and operate an underwater natural gas transmission pipeline from British Columbia to Vancover Island and a subsidiary will build a pipeline from Bremerton to Port Angeles, Washington. **Proceeds**—For construction. **Office**—508 Credit Foncier Bldg., Vancouver, B. C. **Underwriters**—(In U. S.) Bear, Stearns & Co., New York. (In Canada) W. C. Pitfield & Co., Ltd., Montreal.

Mairs & Power Income Fund, Inc.
June 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office**—1002 First National Bank Bldg., St. Paul, Minn. **Underwriter**—None.

Mammoth Industries, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, and working capital. **Office**—6425 Cambridge St., Minneapolis, Minn. **Underwriter** — Kalman & Co., Inc., St. Paul, Minn.

Marine Structures Corp. (7/17)
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). Price—$3 per share. Proceeds—To purchase raw materials, advertising and for working capital. Office—204 E. Washington St., Petaluma, Calif. Underwriter—Grant, Fontaine & Co., Oakland, Calif.

Marks Polarized Corp.
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc.,New York (managing).

Marsan Industries, Inc.
June 6, 1961 filed 125,000 shares of class A common. **Price**—$4 per share. **Business**—The issuing firm is a holding company for Jersey Packing Co., and a closed circuit television camera manufacturer. **Proceeds**—For the purchase of equipment, research and development, expansion of the Missiltronics Division, advertising, inventory and working capital. **Office** — 136 Orange St., Newark, N. J. **Underwriter**—T. M. Kirsch & Co., New York City. **Offering**—Expected in early August. **Note**—This company formerly was named American Missiltronics Corp.

Merchants Co.
June 19, 1961 ("Reg. A") $300,000 of 6% convertible 15-year subordinated debentures due 1976 to be offered for subscription by stockholders for 14 days in units of $100 each. **Price**—At par. **Proceeds**—For working capital. **Office**—300 E. Pine St., Hattiesburg, Miss. **Underwriter**—Lewis & Co., Jackson, Miss.

● Metropolis Bowling Centers, Inc. (7/17-21)
May 1, 1961 filed 198,000 shares of common stock, of which 120,000 shares are to be offered for public sale by the company and 78,000 outstanding shares by the present holders thereof. Price—About $5 per share. Business—The acquisition and operation of bowling centers, principally in New York City. Proceeds—To improve existing properties and acquire other bowling centers. Office—647 Fulton Street, Brooklyn, N. Y. Underwriters—Russell & Saxe, Inc., (managing); Thomas, Williams & Lee, Inc., and V. S. Wickett & Co., New York City.

Micro Electronics Corp. (7/10-14)
March 31, 1961 filed 125,000 shares of common stock. **Price** — $4 per share. **Business** — The manufacture of printed circuits for the electronics industry. **Proceeds**—$124,000 for new plant, $76,000 for equipment, and $110,000 for working capital. **Office**—1191 Stout St., Denver, Colo. **Underwriter**—R. Baruch & Co., Washington, D. C.

Micro-Lectric, Inc.
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., New York.

Microwave Semiconductor & Instruments Inc.
May 12, 1961 filed 120,000 shares of common stock. **Price**—$3 per share. **Business**—The research, development, manufacture and sale of microwave devices and instruments. **Proceeds**—For additional equipment, research, inventory and working capital. **Office** — 116-06 Myrtle Avenue, Richmond Hill, N. Y. **Underwriter** — First Investment Planning Co., Washington, D. C.

Mid-Continent Corp.
June 5, 1961 filed 140,000 common shares. **Price**—$7.50. **Business** — General real estate. **Proceeds** — For investment and advances to subsidiaries. **Office**—997 Monroe Ave., Memphis. **Underwriter**—James N. Reddoch & Co., Memphis.

Middle Atlantic Investment Co.
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Mill Factors Corp.
May 31, 1961 filed 75,000 common shares. **Price** — By amendment. **Business**—General factoring in the textile and apparel fields. **Proceeds**—For working capital, and the repayment of debt. **Office**—380 Park Ave., South, New York. **Underwriter** — Lee Higginson Corp., New York (managing).

Miniature Precision Bearing, Inc.
June 16, 1961 filed 105,000 class A common shares of which 50,000 shares are to be offered by the company and 50,000 shares by a stockholder and 5,000 to certain employees. **Price**—By amendment. **Business**—The manufacture of ball bearings. **Proceeds**—For repayment of debt and capital improvements. **Address**—Keene, N. H. **Underwriter**—Tucker, Anthony & R. L. Day, New York (managing).

Minichrome, Inc.
June 16, 1961 ("Reg. A") 150,000 common shares (par 15 cents). **Price**—$1.15. **Proceeds**—For film processing machines, machinery installation and working capital. **Office**—980 W. 79th St., Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Minnesota Valley Natural Gas Co.
June 1, 1961 ("Reg. A") 15,584 common shares (par $10). **Price**—$19.25. **Proceeds** — For expansion and construction. **Office** — 1750 Hennepin Ave., Minneapolis, Minn. **Underwriters**—Woodard-Elwood & Co., J. M. Dain & Co., Inc., Minneapolis and Harold E. Wood & Co., St. Paul.

Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, New York, N. Y.

● Mite Corp.
June 23, 1961 filed 325,000 capital shares. **Price**—By amendment. **Business**—The manufacture of mechanical, electro-mechanical and electronic equipment, including sewing machine attachments, small electric motors, Polaroid Land cameras, etc. **Proceeds**—For equipment, repayment of loans; research, development and engineering and general corporate purposes. **Office**—446 Blake St., New Haven, Conn. **Underwriters**—Kidder, Peabody & Co., New York and Charles W. Scranton & Co., New Haven, Conn. (managing). **Offering**—Expected in early August.

Mobile Estates, Inc.
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., New York (managing).

Model Vending, Inc. (7/10-14)
April 27, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The operation of vending machines for the retail sale of cigarettes, candy and a variety of other food and drink products. The company also operates coin-type phonograph machines and amusement devices. **Proceeds** — For new equipment, modernization of accounting procedures, and general corporate purposes. **Office**—4830 N. Front Street, Philadelphia, Pa. **Underwriter**—Milton D. Blauner & Co., Inc., New York City (managing), Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa., and M. L. Lee & Co., Inc., New York City.

Modern Homes Construction Co. (7/10-14)
May 10, 1961 filed $5,500,000 of subordinated debentures due June 15, 1981 and 550,000 shares of common stock to be offered for public sale in 275,000 units, each unit consisting of $20 principal amount of debentures and two common shares. **Price**—To be supplied by amendment. **Business**—The construction, financing and sale of shell homes principally in the southern and southwestern portions of the U. S. **Proceeds**—To finance the sale of addi-

tional shell homes. **Office**—P. O. Box 1331, Valdosta, Ga. **Underwriter**—Harriman Ripley & Co., New York City.

Moderncraft Towel Dispenser Co., Inc.
March 30, 1961 filed 80,000 shares of common stock, of which 73,750 shares are to be offered for public sale by the company and 6,250 outstanding shares by the underwriter. **Price**—$4 per share. **Business**—The manufacture and sale of an improved towel dispensing cabinet. **Proceeds**—For advertising, research and development, payment of debt, and working capital. **Office** — 20 Main Street, Belleville, N. J. **Underwriter**—Vickers, Christy & Co., Inc., New York City.

● Mohawk Insurance Co. (7/7)
Aug. 8, 1960, filed 75,000 shares of class A common stock **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F Dowd & Co., Inc., 39 Broadway, New York 6, N. Y

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

Mortgage Guaranty Insurance Co. (7/24-28)
Oct. 17, 1960 filed 155,000 shares of common stock (par $1). Price—To be supplied by amendment. Business—Insuring lenders against loss on residential first mortgage loans, principally on single family non-farm homes. Proceeds—For capital and surplus. Office—606 West Wisconsin Avenue, Milwaukee, Wis. Underwriter—Bache & Co., New York City (managing). Note—This stock is not qualified for sale in New York State.

● Motor Travel Services, Inc.
May 2, 1961 (letter of notification) 260,000 shares of common stock (par 25 cents). **Price**—$1.15 per share. **Proceeds**—For an advertising program and working capital. **Office** — 1521 Hennepin Avenue, Minneapolis, Minn. **Underwriter**—Bratter & Co., Inc., Minneapolis, Minn. **Offering**—Imminent.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early August.

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early August.

NAC Charge Plan and Northern Acceptance Corp.
June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Office**—16 East Pleasant St., Baltimore, Md. **Underwriter**—Sade & Co., Washington, D. C. (managing).

Nail-Tone, Inc.
May 26, 1961 ("Reg. A.") 86,250 common shares (par 10 cents). **Price**—$3. **Proceeds**—For research and working capital. **Office** — 1515 N. E. 2nd Ave., Miami, Fla. **Underwriters**—Aetna Securities Corp., New York; Roman & Johnson, Fort Lauderdale, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla. and Guardian Securities Corp., Miami, Fla.

Nash (J. M.) Co., Inc. (7/10-14)
March 30, 1961 filed $1,000,000 of series A subordinated debentures, due July 1, 1981 and $1,000,000 of series B convertible subordinated debentures, due July 1, 1981. **Price**—To be supplied by amendment. **Business**—The manufacture of a variety of industrial products including woodworking and packaging equipment, power saws, auxiliary power plants, centrifugal pumps, inboard marine engines and a line of leisure time and sporting goods merchandise. **Proceeds**—To retire on or about Oct. 1, 1961 all outstanding 7½% convertible debentures; to repay bank loans, and for other corporate purposes **Office**—208 Wisconsin Avenue, Milwaukee, Wis. **Underwriter**—Robert W. Baird & Co., Milwaukee (managing).

★ National Hospital Supply Co., Inc.
June 22, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribtuion of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, New York. **Underwriters**—Edward Lewis & Co., Inc. and Underhill Securities Corp., New York (co-managers).

● National Mercantile Corp. (7/24-28)
March 29, 1961 filed 100,000 shares of common stock and five-year warrants to purchase an additional 20,000 common shares, to be offered for public sale in units consisting of one common share and one-fifth of a warrant. **Price**—To be supplied by amendment. **Business**—The distribution and retail sale of phonograph records. **Proceeds**—For the repayment of loans and for working capital. To expand retail operations. **Office**—1905 Kerrigan Avenue, Union City, N. J. **Underwriter**—A. T. Brod & Co., New York City and Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J. (co-managing).

National Semiconductor Corp.
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters** — Lee Higginson Corp., New York City and Piper, Jaffray & Hopwood, Minneapolis (managing).

Nationwide Homes, Inc.
June 12, 1961 filed $1,500,000 of 8% sinking fund convertible subordinated debentures due 1976 and 300,000 common shares to be offered in units, each consisting of $10 of debentures and two common shares. **Price**—By amendment. **Business** — The construction and sale of homes. **Proceeds**—For working capital. **Address**—Collinsville, Va. **Underwriters**—Cruttenden, Podesta & Co., Chicago and McDaniel Lewis & Co., Greensboro, N. C.

Nissen Trampoline Co.
May 4, 1961 (letter of notification) 9,400 shares of common stock (par $1). **Price**—At the market. **Proceeds**—For the selling stockholders. **Office**—930 27th Ave., S.W., Cedar Rapids, Iowa. **Underwriter** — Yates, Heitner & Woods, St. Louis, Mo.

Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅓ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas. **Offering**—Expected mid to late July.

North Atlantic Life Insurance Co. of America
June 2, 1961 filed 1,386 common shares. **Price**—$350. **Business**—The company has applied for a New York State license to sell life, accident and health insurance and annuities. **Proceeds**—For general corporate purposes. **Office** — Meadow Brook National Bank Bldg., Mineola, N. Y. **Underwriter**—None.

● North Electric Co.
March 30, 1961 filed 22,415 shares of common stock to be offered for subscription by stockholders of record May 15 with rights to expire Aug. 25. **Price**—To be supplied by amendment. **Business** — This subsidiary of L. M. Ericsson Telephone Co. of Stockholm, Sweden, manufactures telecommunications equipment, remote control systems, electromechanical and electronic components, and power supply assemblies. **Proceeds**—To repay loans and for working capital. **Office**—553 South Market St., Galion, Ohio. **Underwriter**—None.

Northern Illinois Gas Co.
May 24, 1961 filed 450,037 shares of common stock being offered for subscription by stockholders on the basis of one new share for each 16 shares held of record June 22. with rights to expire July 11. **Price**—$49.50. **Proceeds**—For construction. **Office**—50 Fox St., Aurora, Ill. **Underwriters**—First Boston Corp., and Glore, Forgan & Co., both of New York City.

★ Northern Natural Gas Co.
June 28, 1961 filed $35,000,000 sinking fund debentures due 1981. **Price**—By amendment. **Proceeds**—For repayment of loans. **Office**—2223 Dodge Street, Omaha. **Underwriter**—Blyth & Co., Inc., New York.

Northern States Power Co. (8/8)
June 23, 1961 filed $20,000,000 of first mortgage bonds due 1991. **Offices**—15 So. La Salle Street, Chicago 4, Ill.; 15 So. Fifth Street, Minneapolis 2, Minn.; 111 Broadway, New York 6, N. Y. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp. and Blyth & Co. Inc. (jointly). **Bids**—Expected to be received on Aug. 8.

Northwest Natural Gas Co. (7/18)
June 13, 1961 filed $6,500,000 of first mortgage bonds due 1986 and 140,000 common shares. **Price**—By amendment. **Proceeds**—For the repayment of bank loans and construction. **Office**—735 S. W. Morrison St., Portland, Oreg. **Underwriter**—Lehman Brothers, New York (managing).

★ Northwestern Chemical Corp.
June 15, 1961 ("Reg. A") 300,000 common shares. **Price**—At par ($1). **Proceeds**—For mining expenses. **Office**—1321 W. 11th Avenue, Eugene, Ore. **Underwriter**—None.

★ Occidental Petroleum Corp.
June 29, 1961 filed $3,962,500 of subordinated convertible debentures due 1976 to be offered for subscription by common stockholders on the basis of $100 principal amount of debentures for each 100 shares held. **Price**—At par. **Business**—The acquiring and developing of oil and gas properties. **Proceeds**—For exploration and development of oil leases and working capital. **Office**—8255 Beverly Blvd., Los Angeles. **Underwriter**—None.

Oceanarium, Inc. (7/11)
May 22, 1961 filed 125,000 shares of common stock, of which 62,500 shares are to be offered for public sale by the company and 62,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The company operates "Marineland of the Pacific," an exhibition of fish and trained aquatic animals, near Los Angeles, Calif. **Proceeds**—For working capital. **Office**—Marineland, Los Angeles County, Calif. **Underwriter**—Blyth & Co., Inc., New York City.

Old Empire, Inc.
May 1, 1961 filed $700,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, Wilmington, Del.

One Maiden Lane Fund, Inc.
April 7, 1961 filed 300,000 shares of common stock. **Price**—$3 per share. **Business**—This is a new mutual fund which will hold only convertible debentures and U. S. Treasury bonds. **Proceeds**—For investment. **Office**—One Maiden Lane, New York City. **Underwriter**—G. F. Nicholls & Co., Inc., New York City.

★ Ore-Ida Foods, Inc.
June 29, 1961 filed 220,000 common shares of which 200,000 will be sold by the company and 20,000 by stockholders. **Price**—By amendment. **Business**—The processing of raw potatoes into various packaged frozen products. **Proceeds**—For the repayment of debt, purchase of equipment, plant expansion and working capital. **Office** — Ontario, Ore. **Underwriter** — Kidder, Peabody & Co., New York (managing).

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y.

Outdoor Development Co., Inc. (7/11)
May 25, 1961 filed $2,705,000 of subordinated debentures due June 1, 1976, warrants to purchase 108,200 shares of common stock, and 324,600 shares of common stock to be offered for public sale in 54,100 units, each consisting of $50 of debentures with an attached warrant to purchase two common shares, and six shares of common. **Price**—To be supplied by amendment. **Business**—The construction, sale and financing of shell homes. **Proceeds**—To repay debt; establish a branch sales office, and for working capital. **Office**—Walden Drive, Augusta, Ga. **Underwriter**—Granbery, Marache & Co., New York City.

Pacific Air Lines, Inc.
June 26, 1961 filed $1,800,000 of 6½% convertible subordinated debentures due 1976 and 180,000 common shares to be offered in units, each consisting of $100 of debentures and 10 common shares. **Price**—By amendment. **Business**—The transportation of passengers, property and mail by air. **Proceeds**—For repayment of debts, working capital and general corporate purposes. **Office**—San Francisco International Airport, San Francisco. **Underwriters** — Walston & Co., Inc., New York, and Hooker & Fay, Inc., San Francisco (managing).

★ Pacific States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**—$6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (managing).

Packer's Super Markets, Inc. (7/24-28)
May 25, 1961 filed 100,000 shares of common stock. **Price**—$6 per share. **Business**—The operation of 22 retail self-service food stores in the New York City area. **Proceeds** — For general corporate purposes. **Office** — 25 53rd St., Brooklyn, N. Y. **Underwriters** — Milton D. Blauner & Co., Inc., and M. L. Lee Co., Inc., both of New York City (managing).

★ Palmetto Pulp & Paper Corp.
June 28, 1961 filed 1,000,000 common shares. **Price**—$3.45. **Business**—The growth of timber. **Proceeds**—For working capital and the possible purchase of a mill. **Address**—P. O. Box 199, Orangeburg, S. C. **Underwriter**—Stone & Co.

Pan American Resources, Inc.
May 11, 1961 (letter of notification) 40,000 shares of common stock (par $1). **Price**—$7 per share. **Office**—600 Glendale Federal Bldg., Glendale 3, Calif. **Underwriter**—Fred Martin & Co., 1101 Woodland Dr., Norman, Okla.

Parish (Amos) & Co., Inc.
June 23, 1961 filed 208,000 outstanding common shares. **Price**—By amendment. **Business**—Business advisors and consultants to specialty and department stores. **Proceeds**—For the selling stockholders. **Office**—500 Fifth Avenue, New York. **Underwriter**—The James Co., New York.

★ Parkview Drugs, Inc.
June 21, 1961 filed 141,000 common shares (par $1) of which 100,000 will be sold by the company and 41,000 by stockholders. **Price**—By amendment. **Business**—The operation of a chain of retail drug stores and licensed departments in closed-door membership department stores. **Proceeds**—For expansion. **Office**—2323 Grand Avenue, Kansas City, Mo. **Underwriter**—Scherck, Richter Co., St. Louis.

Patent Resources, Inc.
May 24, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—Darius, Inc., New York (managing); N. A. Hart & Co., Bayside, N. Y., and E. J. Roberts & Co., Inc., Ridgewood, N. J.

Pell Pharmaceuticals, Inc.
May 24, 1961 ("Reg. A.") 150,000 common shares (par five cents). **Price**—$2. **Proceeds**—For equipment, expansion, inventory, and working capital. **Office**—1 Belmont Ave., Bala-Cynwyd, Pa. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

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Philadelphia Laboratories, Inc. (7/24-28)
May 26, 1961 filed 75,000 shares of common stock. **Price**—$8 per share. **Business**—The development, manufacture and sale of pharmaceuticals, vitamins and veterinary products. **Proceeds** — For the repayment of debt, and other corporate purposes. **Office** — 400 Green Street, Philadelphia, Pa. **Underwriter** — Woodcock, Moyer, Fricke, & French, Inc., Philadelphia.

Photographic Assistance Corp.
June 27, 1961 filed 150,000 common shares. **Price**—$1. **Proceeds**—For expansion, equipment and working capital. **Office**—1335 Gordon St., S. W., Atlanta, Ga. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc. New York (managing).

● **Photronics Corp. (7/7)**
Feb. 24, 1961 filed 150,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Business**—The design, development and manufacture of optical and electro-optical systems and components used in aerial reconnaissance, photo-interpretation, photo-grammetry and optical scanning devices. **Proceeds** — For working capital, research and development, and new equipment. **Office**—134-08 36th Road, Flushing, N. Y. **Underwriter**—L. D. Sherman & Co., New York City.

Pickwick Organization, Inc.
May 23, 1961 filed 110,000 shares of common stock. **Price**—$5 per share. **Business**—The company is engaged in the real estate and construction business. **Proceeds**—Net proceeds, estimated at $444,000, will be used to buy land for shell homes construction and to start building the homes ($175,000), to repay a bank note ($65,000), with the balance for working capital. **Office**—Huntington Station, New York. **Underwriters**—Theodore Arrin & Co., Inc., Katzenberg, Sour & Co., and Underhill Securities Corp., all of New York City.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif.

Pilgrim Helicopter Services, Inc.
April 25, 1961 (letter of notification) 16,363 shares of common stock (par $1). **Price**—$5.50 per share. **Proceeds**—For general corporate purposes. **Office** — Investment Bldg., Washington, D. C. **Underwriter** — Sade & Co., Washington, D. C.

Platt Corp.
May 29, 1961 filed 150,000 shares of class A stock. **Price**—$5 per share. **Business**—The company is a real estate investment firm. **Proceeds**—For investment. **Office**—New York City. **Underwriter**—None.

Polymetric Devices Co.
May 24, 1961 filed 90,000 shares of common stock. **Price**—$3.75 per share. **Business**—The company sells devices for the measurement or control of pressure, temperature, torque, acceleration, displacement, strain and force. **Proceeds**—For working capital. **Office**—130 South Easton Rd., Glenside, Pa. **Underwriter** — Weil & Co., Inc., Washington, D. C.

Polytronic Research, Inc.
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

Precision Specialties, Inc.
May 15, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision instruments. **Proceeds**—To repay loans for construction, purchase of equipment; research and development, and working capital. **Office**—Hurffville, N. J. **Underwriter**—Harrison & Co., Philadelphia, Pa.

President Airlines, Inc.
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Progress Industries, Inc.
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

● **Progressitron Corp. (7/14)**
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

Pueblo Supermarkets, Inc.
June 6, 1961 filed 100,000 outstanding shares of class A common to be offered for public sale by stockholders. **Price**—By amendment. **Business**—Operates seven supermarkets in Puerto Rico. **Proceeds**—For the selling stockholders. **Office**—P. O. Box 10878, Caparra Heights, San Juan, P. R. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York. **Offering**—Expected in late July or early August.

Q-Line Instrument Corp. (7/10-14)
May 8, 1961 (letter of notification) 65,000 shares of common stock (par one cent). **Price**—$4 per share. **Business**—The manufacturers of technical equipment. **Proceeds**—For relocation of business; new equipment; expansion, and working capital. **Office** — 1562-61st St., Brooklyn, N. Y. **Underwriter**—William, David & Motti, Inc., New York, N. Y.

Quality Importers, Inc.
June 1, 1961 filed 200,000 common shares. **Price** — By amendment. **Business**—Imports and distributes Scotch and Irish whiskeys. **Proceeds**—To repay loans and for working caiptal. **Office**—55 Fifth Ave., New York. **Underwriter**—Sutro Bros. & Co., New York.

Rabin-Winters Corp.
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufactuer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

Radiation Instrument Development Laboratory, Inc. (7/31-8/4)
June 1, 1961 filed 100,000 common shares, including 86,666 to be offered for sale by the company and 13,334 by stockholders. **Price**—By amendment. **Business**—Develops, designs and produces electronic instruments for the detection of atomic radiation. **Proceeds**—For working capital, and expansion. **Office** — 61 East North Ave., Northlake, Ill. **Underwriter**—Hayden, Stone & Co., New York City (managing).

Ram Electronics, Inc.
Dec. 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Manufacturers of electronic and replacement parts for television receivers and other electrical circuits. **Proceeds**—For general corporate purposes. **Office**—600 Industrial Ave., Paramus, N. J. **Underwriter**—General Securities Co., Inc., 101 West 57th St., New York City. **Offering**—Imminent.

Ram Tool Corp.
June 9, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrically powered tools. **Proceeds**—For working capital. **Office**—411 N. Claremont Ave., Chicago, Ill. **Underwriter**—Aetna Securities Corp., New York (managing).

Real Estate Investing Association, Inc.
May 22, 1961 filed $50,000,000 series A 6% 20-year participating notes to be issued in 2,000 units of $25,000 each. **Price**—At 100% of principal amount. **Business**—The company was organized in February 1961 to invest in first mortgages on income producing properties and in land on which buildings have been erected. **Proceeds**—For investment. **Office**—60 East 42nd St., New York City. **Underwriter**—None.

Recco, Inc.
April 17, 1961 (letter of notification) 60,000 shares of class A common stock (par one cent). **Price**—$5 per share. **Proceeds**—To open a new licensed department in 1961. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriter**—Midland Securities Co., Kansas City, Mo.

Reeves Broadcasting & Development Corp.
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (managing). **Offering**—Expected in August.

Reher Simmons Research Inc.
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., (managing).

● **Renaire Foods, Inc. (7/10)**
March 30, 1961 filed $700,000 of debentures, 6½% convertible series due 1976, to be offered for public sale by the company and 125,000 shares of common stock, (par $1) of which 125,000 shares are to be offered for sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—At 100% of principal amount for the debentures and $6 per share for the stock. **Business**—The retail distribution of food freezers, frozen foods, groceries, vitamins, proprietary medicines and sundries, principally in the Philadelphia and Baltimore trading areas. **Proceeds**—For construction, the purchase of installment contracts resulting from the sales of food and freezers, and for working capital. **Office**—770 Baltimore Pike, Springfield, Pa. **Underwriter**—P. W. Brooks & Co., Inc., New York City.

Riverview ASC, Inc.
May 18, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—Real estate and utility development in Florida. **Proceeds** — For expansion. **Office** — 2823 So. Washington Ave., Titusville, Fla. **Underwriter**—Albion Securities Co., Inc., New York.

● **Ripley Co., Inc. (7/17-21)**
May 19, 1961 filed 82,500 shares of common stock, of which 25,000 shares are to be offered for public sale by the company and 57,500 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of photoelectric street light controls, centrifugal blowers and other electronic equipment. **Proceeds**—For new product development. **Office**—One Factory Street, Middletown, Conn. **Underwriter** — Dominick & Dominick, New York City (managing).

★ **Roberts Lumber Co.**
June 28, 1961 filed 55,000 common shares of which 20,000 shares are to be offered by the company and 35,000 shares by a selling stockholder. **Price**—By amendment. **Business**—The sale of building materials. **Proceeds**—For repayment of a loan and working capital. **Office**—2715 Market Street,Wheeling, W. Va. **Underwriter**—Arthurs, Lestrange & Co., Pittsburgh, Pa. (managing).

★ **Rodney Metals, Inc.**
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York (managing).

● **Rorer (William H.), Inc. (7/12)**
May 24, 1961 filed 130,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of pharmaceuticals. **Proceeds** — For the account of the selling stockholders. **Office** — 4865 Stenton Ave., Philadelphia, Pa. **Underwriters**—Kidder, Peabody & Co., New York City and Schmidt, Roberts & Parke, Philadelphia(managing).

Rowan Controller Co. (7/28)
May 29, 1961 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of industrial controls and electrical equipment. **Proceeds**—For the retirement of debt and product expansion. **Office**—2315 Homewood Avenue, Baltimore, Md. **Underwriter**—Stein Bros. & Boyce, Baltimore, Md. **Offering**—Expected mid to late July.

Royal School Laboratories, Inc.
June 23, 1961 filed 170,000 common shares. **Price**—$5. **Business**—The manufacture of special purpose laboratory furniture for schools. **Proceeds** — For expansion, general corporate purposes and working capital. **Office**—Meadow & Clay Sts., Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York.

Rudd-Melikian, Inc.
June 16, 1961 filed 130,000 common shares. **Price**—$10. **Business**—The manufacture of automatic coffee dispensers and similar items. **Proceeds**—For repayment of loans, promotion and manufacture of a new product, working capital and general corporate purposes. **Office** — 300 Jacksonville Road, Hatboro, Pa. **Underwriter**—Stearns & Co., New York.

★ **S. O. S. Photo-Cine-Optics, Inc.**
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., New York.

● **St. Clair Specialty Manufacturing Co., Inc.**
June 19, 1961 filed 113,600 common shares of which 40,000 shares are to be offered by the company and 73,600 shares by stockholders. **Price**—By amendment. **Business**—The printing of gift wrap papers. **Proceeds** — For equipment and working capital. **Address**—120 Twenty-Fifth Ave., Bellwood, Ill. **Underwriters**—Stifel, Nicolaus & Co., St. Louis and Walston & Co., New York.

Science Capital Corp.
May 9, 1961 filed 450,000 shares of common stock. **Price**—$8 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Juniper & Walnut Sts., Philadelphia, Pa. **Underwriters**—Blair & Co., Inc., New York City; Stroud & Co., Inc., and Woodcock, Moyer, Fricke & French, Philadelphia, Pa.

● **Science Resources, Inc. (7/7)**
June 13, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—The furnishing of business management to consulting scientists and the arranging of financing for science companies. **Proceeds**—For expansion. **Office**—One Story St., Cambridge, Mass. **Underwriter**—Lewis Wolf Associates (managing) and Marshall Roberts & Co., Inc., New York.

Scully Recording Instruments Corp.
June 14, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture of precision recording equipment. **Proceeds**—For repayment of a loan, general overhead, equipment and working capital. **Office**—Bridgeport, Conn. **Underwriter**—Moran & Co., Newark, N. J.

● **Seaboard Electronic Corp. (7/24-28)**
April 26, 1961 filed 100,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—$5.50 per share. **Business**—The manufacture of warning signals, control boxes, intervalometers and related equipment for aircraft and missile application. **Proceeds**—For the selling stockholders. **Office**—417 Canal Street, New York City. **Underwriter**—Amos Treat & Co., Inc., New York City (managing).

Second Financial, Inc. (8/14-18)
June 20, 1961 filed 100,000 common shares. **Price**—$3. **Business** — The purchase of notes, mortgages, contracts, etc., from Shell Home Builders. **Proceeds**—For investment. **Office**—2740 Apple Valley Road, N. E., Atlanta, Ga. **Underwriter**—Globus, Inc., New York.

Security Acceptance Corp. (7/28)
March 7, 1961 filed 100,000 shares of class A common stock and $400,000 of 7½% 10-year debenture bonds, to be offered in units consisting of $100 of debentures and 25 shares of stock. **Price**—$200 per unit. **Business**—The purchase of conditional sales contracts on home appli-

ances. **Proceeds** — For working capital and expansion. **Office**—724 9th St., N. W., Washington, D. C. **Underwriter**—None.

★ Semicon, Inc.
June 30, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

Service Photo Industries, Inc.
May 26, 1961 filed 150,000 class A shares (par one cent). **Price** — $4. **Business** — The company, formerly Service Photo Suppliers, Inc., is engaged in the importation and distribution of a wide variety of photographic equipment. **Proceeds**—For the repayment of debt, advertising and sales promotion, and other corporate purposes. **Office**—33 East 17th St., New York. **Underwriter**—N. A. Hart & Co., Bayside, N. Y. (managing).

● Servonic Instruments, Inc. (7/10-14)
April 26, 1961 filed 95,000 shares of no par common stock, of which 50,000 shares are to be offered for public sale by the company and 45,000 shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, design, development, manufacture and sale of precision devices consisting primarily of electromechanical transducers, for a variety of military, industrial and scientific uses. **Proceeds**—For new equipment, plant expansion and working capital. **Office**—1644 Whittier, Calif. **Underwriter** — C. E. Unterberg, Towbin Co., New York City.

Shasta Minerals & Chemical Co.
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

Shell Oil Co. (7/19)
June 23, 1961 filed $200,000,000 of sinking fund debentures due 1986. **Price**—By amendment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—50 W. 50th St., New York. **Underwriter**—Morgan Stanley & Co., New York.

Shelley Urethane Industries, Inc.
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing). **Note**—This company plans to change its name to Urethane Industries International Inc.

Shepard Airtronics, Inc.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriters**—L. C. Wegard & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs,Colo.

Sica Skiffs, Inc.
April 19, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of "sea skiffs" a type of inboard motor boat. **Proceeds**—For the repayment of debt, the development of retail outlets, property improvement, and working capital. **Office**—Toms River, N. J. **Underwriter**—Warner, Jennings, Mandel & Longstreth, Philadelphia (managing). **Offering**—Expected in early July.

● Sjostrom Automations, Inc.
June 28, 1961 filed 70,000 class A common shares. **Price**—$4. **Business** — The design, manufacture and sale of electronically controlled automation devices. **Proceeds**—For the repayment of debt, purchase of additional equipment and inventory, and working capital. **Office**—140 N. W. 16th St., Boca Raton, Fla. **Underwriter**—J. I. Magaril Co., Inc., New York.

● Slater Electric Inc. (7/17-21)
May 18, 1961 filed 150,000 shares of class A stock, of which 100,000 shares are to be offered for public sale by the company and 50,000 outstanding shares by the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture of electrical equipment, principally wiring devices and lighting controls used in industrial, commercial and residential buildings. **Proceeds**—To reduce outstanding loans, purchase additional equipment, and for working capital. **Office**—45 Sea Cliff Avenue, Glen Cove, L. I., N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., New York City (managing).

● Southeastern Capital Corp. (7/17)
May 16, 1961 filed 500,000 shares of common stock (par $1). **Price**—$12.50 per share. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriters**—Paine, Webber, Jackson & Curtis, New York City (managing) and Johnston, Lemon & Co., Washington, D. C.

Southern American Fire Insurance Co.
May 19, 1961 (letter of notification) 23,500 shares of common stock (par $4). **Price**—$10 per share. **Office**—c/o Guilmartin, Bartel & Ashman, 1527 Alfred I. du Pont Building, Miami, Fla. **Underwriters**—Beil & Hough, Inc., St. Petersburg, Fla.; Nolting, Nichol & O'Donnell, Inc., Pensacola, Fla.; Sterling, Grace & Co., New York.

★ Southern Growth Industries, Inc.
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

Southern Realty & Utilities Corp.
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price**—At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

★ Space Technology & Research Corp.
June 20, 1961 ("Reg. A") 300,000 common shares (par 10 cents). **Price**—$1. **Proceeds**—For repayment of debts, furniture and equipment, and working capital. **Office**—520 Midland Savings Bldg., Denver, Colo. **Underwriter**—Henry Fricke Co., New York.

Spectron, Inc.
June 9, 1961 filed 83,750 class A common shares (par 10 cents). **Price**—$4.50. **Business**—The design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds** — For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York (managing).

Speed-O-Print Business Machines Corp. (7/17-21)
May 24, 1961 filed 125,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells office copy-making machines and accessories. **Proceeds** — To pay off notes in the amount of $422,826, with the balance for general corporate purposes. **Office**—Chicago. **Underwriter**—Rodman & Renshaw, Chicago (managing).

● Spellman Engineering, Inc. (7/17-21)
June 6, 1961 filed 150,000 common shares. **Price** — By amendment. **Business**—The servicing of missiles. **Proceeds** — For the repayment of a loan and for working capital. **Office**—722-32 Brookhaven Drive, Orlando, Fla. **Underwriter**—Pierce, Carrison, Wulbern, Inc., Jacksonville,

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Staff Business & Data Aids
April 17, 1961 (letter of notification) 100,000 shares of capital stock (par 10 cents). **Price**—$3 per share. **Business**—The supplying of temporary office personnel. **Proceeds**—To purchase assets of Rapid Computing Co., Inc. and for general corporate purposes. **Office**—122 E. 42nd Street, New York, N. Y. **Underwriter**—Hancock Securities Corp., New York, N. Y.

★ Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office**—336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing).

Sterile Medical Products, Inc.
June 2, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2.50. **Business**—The sharpening of surgical blades. **Proceeds**—For general corporate purposes. **Address**—Jamesburg, N. J. **Underwriter**—Louis R. Dreyling & Co., New Brunswick, N. J.

Stratoflex, Inc.
June 8, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The manufacture of hydraulic and pneumatic type hose, primarily for the aircraft and missile industries. **Proceeds**—For repayment of loans, and working capital. **Address** — P. O. Box 10398, Fort Worth, Tex. **Underwriter**—First Southwest Co., Dallas.

Stratton Corp.
March 3, 1961 filed $650,000 of 5% convertible subordinated debentures, due Dec. 1, 1981. **Price**—At 100% of principal amount. **Business**—The development and operation of a winter and summer recreational resort on Stratton Mountain in southern Vermont. **Proceeds**—For construction. **Office**—South Londonderry, Vt. **Underwriter**—Cooley & Co., Hartford, Conn.

Strouse, Inc.
June 27, 1961 filed $600,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Proceeds**—For plant expansion, working capital and other corporate purposes. **Office** — Basin and Cherry Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Philadelphia (managing).

Sun Valley Associates
March 30, 1961 (letter of notification) $205,000 of limited partnership interests to be offered in units of $5,000, or fractional units of not less than $2,500. **Proceeds**—For working capital. **Address** — Harlingen, Texas. **Underwriter**—Nat Berger Associates, Inc., New York City.

Super-Temp Corp.
June 15, 1961 ("Reg. A") 100,000 common shares (no par). **Price**—$3. **Proceeds**—For repayment of debts, purchase of new equipment, research and development and working capital. **Office**—2024 W. 15th St., Long Beach, Calif. **Underwriter**—Morgan & Co., Los Angeles.

Superstition Mountain Enterprises, Inc. (8/15)
Jan. 30, 1961 filed 2,000,000 shares of common stock. **Price** — $2.50 per share. **Business** — The company was formed in March, 1959 to develop real property at the foot of Superstition Mountain near Apache Junction, Ariz. It has developed part of the property to form the Apacheland Sound Stage and Western Street, architecturally designed for the 1870 period, which is used for the shooting of the motion picture and television productions. **Proceeds**—To purchase and develop additional property. **Office**—Apache Junction, Ariz. **Underwriter**—None.

Supronics Corp.
May 29, 1961 filed 90,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

● Survivors' Benefit Insruance Co. (7/7)
March 30, 1961 filed 50,000 shares of common stock to be offered initially to stockholders and thereafter to policyholders, employees and company representatives. **Price**—$21.70 per share. **Business** — The company is qualified to write life insurance in the state of Missouri. **Proceeds**—For expansion of the business into other states and for reserves. **Office** — 4725 Wyandotte St., Kansas City, Mo. **Underwriter**—J. E. Stowers, Kansas City.

● Suval Industries Inc. (7/24-28)
April 27, 1961 filed 125,000 shares of common stock, of which 100,000 shares are to be offered for public sale by the company and 25,000 outstanding shares by the present holders thereof. **Price**—$4 per share. **Business**—The manufacture of supported vinyl plastic sheeting for the automobile, furniture and clothing industries. **Proceeds**—For additional equipment, product expansion and working capital. **Office**—Cantiagua Road, Westbury N. Y. **Underwriters** — Milton D. Blauner & Co., and Brukenfeld & Co., both of New York City.

★ Swanee Paper Corp.
June 29, 1961 filed 150,000 common shares, of which 35,000 shares are to be offered by the company and 115,000 shares by the stockholders. **Price**—By amendment. **Business**—The production of tissue paper products. **Proceeds**—For general corporate purposes. **Office**—205 E. 42nd St., New York. **Underwriter**—Blair & Co., Inc., New York (managing).

Swingline Inc. (7/17-21)
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (managing).

★ T. F. H. Publications, Inc.
June 22, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The publishing of books, pamphlets and magazines. **Proceeds**—For repayment of loans, production of new garden books, installation of air-conditioning and working capital. **Office**—245-247 Cornelison Ave., Jersey City, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York.

T-Bowl International, Inc.
June 15, 1961 filed 400,000 common shares, of which 325,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—27 B Boulevard, East Paterson, N. J. **Underwriter**—Peter Morgan & Co., New York.

T. V. Development Corp.
May 26, 1961 filed 100,000 shares of common stock. **Price**—$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel Inc., New York (managing).

● Taddeo Bowling & Leasing Corp. (7/10-14)
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Road, Rochester, N. Y. **Underwriter**—Lomasney, Loving & Co., New York City (managing).

● Taffet Electronics, Inc. (7/17-21)
April 28, 1961 filed 132,000 shares of common stock. **Price** — $3 per share. **Business** — The manufacture of electronic equipment, principally electronic test equipment, partial electronic systems and assemblies, and the fabrication of electronic components, for use primarily in the communications field. **Proceeds**—For additional equipment, capital improvements and working capital. **Office**—27-01 Brooklyn Queens Expressway, Woodside,

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N. Y. **Underwriters**—Fialkov & Co., Inc. (managing); Stanley Heller & Co., Amos Treat & Co., Inc., all of New York City.

● Taft Broadcasting Co. (7/17-21)
May 26, 1961 filed 376,369 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The operation of TV and radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office**—1906 Highland Avenue, Cincinnati, Ohio. **Underwriter**—Harriman Ripley & Co., Inc., New York City (managing).

● Tassette, Inc. (7/24-28)
Feb. 15, 1961 filed 200,000 shares of class A stock. **Price**—$12 per share. **Business**—The company was organized under Delaware law in 1959 to finance the exploitation and sale of "Tassette," a patented feminine hygiene aid. **Proceeds**—For advertising and promotion, market development, medical research and administrative expenses. **Office**—170 Atlantic St., Stamford, Conn.. **Underwriter**—Amos Treat & Co., Inc., New York City (managing); Bruno-Lenchner, Inc., Pittsburgh; and Karen Securities Corp., New York City.

Tax-Exempt Public Bond Trust Fund
Jan. 16, 1961 filed $5,000,000 of interests (5,000 units). **Price**—To be computed on the basis of the trustees evaluation of the underlying public bonds, plus a stated percentage (to be supplied by amendment) and dividing the sum thereof by 5,000. **Business** — The trust was formed by John Nuveen & Co., Chicago, Ill., to invest in tax-exempt obligations of states, counties, municipalities and territories of the United States. **Sponsor** — John Nuveen & Co., 135 South La Salle Street, Chicago, Ill.

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (10,000 units) ownership certificates. **Price**—To be filed by amendment. **Business**—The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subidivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle St., Chicago. **Sponsor**—John Nuveen & Co., Chicago.

Taylor-Country Estate Associates
June 12, 1961 filed $2,420,000 of limited partnership interests. **Price**—$10,000 per unit. **Business**—The partnership will acquire all the outstanding stock of five apartment houses in Newark, East Orange and Jersey City, N. J. **Proceeds**—For general corporate purposes. **Office**—420 Lexington Ave., New York City. **Underwriter**—Nat Berger Associates, Inc., New York.

★ Technical Material Corp.
June 30, 1961 filed 50,000 outstanding common shares. **Price** — By amendment. **Business** — The design, manufacture and sale of components for high frequency radio communications. **Proceeds**—For the selling stockholder. **Office**—700 Fenimore Rd., Mamaroneck, N. Y. **Underwriter**—Kidder, Peabody & Co., New York.

Techno-Vending Corp.
June 9, 1961 ("Reg. A")100,000 class A common shares (par one cent). **Price**—$3. **Business**—The manufacture of coin-operated vending machines. **Proceeds**—For repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—599 Tenth Avenue, New York. **Underwriter**—International Services Corp., Paterson, N. J.

Templet Industries Inc.
June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Business**—Licenses patents to diemakers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

Templeton Damroth Corp.
March 30, 1961 filed $445,000 of 5½% convertible debentures, due 1969. **Price** — 100% of the principal amount. **Business** — The management and distribution of shares of four investment companies, and also private investment counselling. **Proceeds**—To increase the sales efforts of subsidiaries, to establish a new finance company, and for general corporate purposes. **Office**—630 Third Avenue, New York City. **Underwriter**—Hecker & Co., Philadelphia, Pa. **Offering**—Expected in late July.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

Terry Industries, Inc.
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., New York City.

Texas Capital Corp. (8/4)
June 16, 1961 filed 1,000,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 104 E. Eighth St., Georgetown, Tex. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

● Texas Eastern Transmission Corp.
June 7, 1961 filed $30,000,000 of debentures due July 1, 1981 and 200,000 shares of subordinated convertible preferred ($100 par). **Proceeds**—For the repayment of debt and for construction. **Office**—Memorial Professional Bldg., Houston. **Underwriter**—Dillon, Read & Co., New York (managing). **Note**—This offering was temporarily postponed.

Textilfoam, Inc.
June 23, 1961 filed 130,000 common shares of which 100,000 shares are to be offered by the company and 30,000 shares by the stockholders. **Price**—By amendment. **Business** — The lamination of a synthetic foam to fabrics. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—200 Fair St., Palisades Park, N. J. **Underwriters**—Flomenhaft, Seidler & Co., Inc., and Street & Co., Inc., New York (managing).

Thermo-Chem Corp.
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

● Thoroughbred Enterprises, Inc. (7/24-28)
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

Trans-Aire Electronics, Inc.
June 1, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$2.75. **Business** — Manufacturers and importers of transistorized radios, phonographs and similar electronic products. **Proceeds**—For removal to larger quarters; purchase of tools and dies; research and development; repayment of loans and working capital. **Office**—195-02 Jamaica Ave., Jamaica 23, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York.

Transcontinent Television Corp.
May 25, 1961 filed 400,000 outstanding shares of class B common stock to be offered for public sale by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The operation of six television and seven radio broadcasting stations. **Proceeds**—For the selling stockholders. **Office** — 70 Niagara St., Buffalo, N. Y. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Bear, Stearns & Co., both of New York City (managing).

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

Trans-World Financial Co.
June 26, 1961 filed 185,000 common shares of which 75,000 shares are to be offered by the company and 110,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with subsidiaries in the savings and loan, real estate and insurance fields. **Proceeds** — For repayment of loans and working capital. **Office**—9460 Wilshire Blvd., Beverly Hills. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

★ Transvision Electronics, Inc.
June 29, 1961 filed 140,000 common shares. **Price**—By amendment. **Business**—The manufacture of specialized TV equipment. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—460 North Avenue, New Rochelle, N. Y. **Underwriter**—Adams & Peck, New York.

Tresco, Inc.
June 5, 1961 filed 100,000 common shares. **Price**—$5. **Business**—Manufactures transformers for electronic equipment. **Proceeds**—For the repayment of debt, research and development, to finance a new subsidiary and for other corporate purposes. **Office**—3824 Terrance St., Philadelphia. **Underwriter**—Amos Treat & Co., New York (managing).

● Triangle Instrument Co.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Drive and Cedar Place, Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City. **Offering**—Imminent.

★ Tri Metal Works, Inc.
June 29, 1961 filed 68,000 outstanding common shares to be offered by the stockholders. **Price**—At the market. **Business** — The designing, converting and equipping trucks used in sale of ice cream, etc. It also engages in the research, design and manufacture of vacuum furnaces, ovens and components in the fabrication of metal equipment for the food, pharmaceutical and chemical industries. **Proceeds**—For the selling stockholders. **Office**—Bennard & Warrington Sts., East Riverton, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

Trinity Funding Corp.
June 19, 1961 filed 250,000 common shares. **Price**—$6. **Business**—A consumer and industrial finance company. **Proceeds**—For working capital. **Office**—1107 Broadway, New York. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York.

★ Triton Mining Co.
June 19, 1961 ("Rege. A") 400,000 common shares (par five cents). **Price**—15 cents. **Proceeds**—For repayment of debts, and mining operations. **Office**—422 Paulsen Bldg., Spokane, Wash. **Underwriter**—None.

Tungsten Mountain Mining Co.
April 7, 1961 (letter of notification) 400,000 shares of common stock (par 25 cents). **Price** — 62½ cents per share. **Proceeds**—For mining expenses. **Office**—511 Securities Bldg., Seattle, Wash. **Underwriter**—H. P. Pratt & Co., Inc., Seattle, Wash.

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Union Electric Co. (7/25)
June 23, 1961 filed $30,000,000 of first mortgage bonds due 1991. **Proceeds**—For expansion. **Office**—315 N. 12th Blvd., St. Louis 1, Mo. **Underwriters** — (Competitive) Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids** — July 25 at 11 a.m. (EDST). **Information Meeting**—July 24, 11 a.m. (EDST) at Bankers Trust Co., 16 Wall Street, New York.

★ Union Leagues, Inc.
June 28, 1961 filed $700,000 of 7% subordinated sinking fund debentures due 1976 (with attached warrants) and 140,000 common shares to be offered in units consisting of 80 common shares and $400 of debentures. **Price**—$800 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office**—11459 E. Imperial Highway, Norwalk, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles.

United Foods, Inc. (7/10-14)
May 25, 1961 filed 125,000 shares of common stock. **Price**—$8.50 per share. **Business**—The storing of grain for a U. S. Government agency; cold storage warehousing; the freezing, packaging and marketing of vegetables; the freezing and packaging of shrimp; the feeding and marketing of fattened cattle, and the operation of a small business financing company. **Proceeds**—For expansion and working capital. **Office**—1235 Shadowdale, Houston, Tex. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

United Investors Corp.
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None. **Offering**—Expected in mid-August.

U. S. Fiberglass Products Co.
April 27, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business**—The company plans to manufacture fiberglass shingles, beams, purlin and other materials. **Proceeds** — For working capital, inventory and equipment, and sales promotion. **Office** — Clarkville, Texas. **Underwriter**—Hauser, Murdock, Rippey & Co., Dallas, Texas.

U. S. Home & Development Corp. (7/17-21)
May 11, 1961 filed 300,000 shares of class A capital stock. **Price**—To be supplied by amendment. **Business** — The planning, development and marketing of single-family-home communities in New Jersey. **Proceeds**—For the repayment of loans, purchase of land and development of properties. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter**—Auchincloss, Parker & Redpath, Washington, D. C., and New York City.

United Variable Annuities Fund, Inc.
April 11, 1961 filed 2,500,000 shares of stock. **Price**—$10 per share. **Business**—A new mutual fund. **Proceeds**—For investment. **Office**—20 W. 9th Street, Kansas City, Mo. **Underwriter**—Waddell & Reed, Inc., Kansas City, Mo. **Offering**—Expected in the fall of 1961.

Universal Health, Inc.
June 14, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business** — The operation of a chain of health studios. **Proceeds**—For expansion, advertising, financing of time payment memberships and other corporate purposes. **Office**—15A South Main St., West Hartford, Conn. **Underwriter**—Cortlandt Investing Corp., 120 Wall St., New York.

Universal Manufacturing Co.
Feb. 23, 1961 (letter of notification) 135,000 shares of common stock (par 10 cents) of which 35,000 shares are to be offered for the account of the company and 100,000 outstanding shares, stock, by the selling stockholders. **Price** — $2 per share. **Proceeds** — For working capital. **Office**—516 W. 4th Street, Winona, Minn. **Underwriter**—Naftalin & Co., Inc., Minneapolis, Minn.

Universal Moulded Fiber Glass Corp.
June 18, 1961 filed 275,000 outstanding common shares to be sold by stockholders. **Price**—$10. **Business**—The manufacture of fiber glass reinforced plastic. **Proceeds**—For the selling stockholders. **Address**—Commonwealth Ave., Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

★ **Universal Publishing & Distributing Corp.**
June 28, 1961 filed 50,000 6% cumulative preferred shares (par $10) and 50,000 common shares to be offered in units, each consisting of one preferred share and one common share. **Price**—$15 per unit. **Business**—The publishing of magazines and paper bound books. **Proceeds**—For expansion, additional personnel, sales promotion, working capital and other corporate purposes. **Office**—117 E. 31st Street, N. Y. **Underwriter**—Allen & Co., New York.

● **Uris Buildings Corp.**
June 2, 1961 filed 159,403 outstanding shares of common to be offered for sale by stockholders. **Price**—By amendment. **Business**—The construction, operation and leasing of office buildings. **Proceeds**—For the selling stockholders. **Office**—850 Third Ave., New York. **Underwriter**—Kuhn, Loeb & Co., New York (managing).

Vacu-Dry Co.
June 27, 1961 filed 400,000 common shares. **Price**—By amendment. **Proceeds** — For expansion, repayment of bank loans and working capital. **Office** — 950 56th St., Oakland, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (managing).

Valley Title & Trust Co.
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J.

Varco Industries, Inc.
June 8, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of equipment and inventory, and working capital. **Office**—815 Nash St., El Segundo, Calif. **Underwriter**—Omega Securities Corp., New York.

Vatronic Lab. Equipment, Inc.
May 29, 1961 filed 80,000 shares of common stock. **Price**—$4 per share. **Business**—The manufacture of industrial high vacuum systems and equipment. **Proceeds** — For the repayment of debt, plant expansion, equipment, sales promotion and working capital. **Office**—Northport, N. Y. **Underwriter**—Stanley R. Ketcham & Co., New York.

Vendaversal Manufacturing Corp.
June 9, 1961 ("Reg. A") 300,000 common shares (par 50 cents). **Price**—$1. **Proceeds**—For operating expenses and working capital. **Office**—210 E. Manville St., Compton, Calif. **Underwriter**—Amos C. Sudler & Co., Denver.

Versapak Film & Packaging Machinery Corp. (7/14)
March 30, 1961 filed 150,000 shares of common stock and 150,000 five-year warrants, to be offered for public sale in units of one share of stock and one warrant. **Price**—$3.125 per unit. **Business**—The design, development and sale of versatile automatic equipment for packaging items in special heat-shrinkable film. **Proceeds**—To repay loans, for additional equipment and inventory; and for working capital. **Office**—928 Broadway, New York City. **Underwriters**—Hill, Thompson & Co. (managing); Hampstead Investing Corp., and Globus, Inc., all of New York City.

● **Vic Tanny Enterprises, Inc. (7/17-21)**
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., New York City.

● **Vinco Corp. (7/24-28)**
May 19, 1961 filed $2,000,000 of 6% convertible subordinated debentures due 1976. **Price**—At 100% of principal amount. **Business**—The production of gauges and measuring instruments and the manufacture of precision parts and subassemblies for the aircraft, missile and other industries. **Proceeds**—For the repayment of debt, expansion, working capital and reserves for possible future acquisitions. **Office**—9111 Schaefer Highway, Detroit, Mich. **Underwriter**—S. D. Fuller & Co., New York City (managing).

★ **Wainrite Stores, Inc.**
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Omega Securities Corp., New York.

Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

★ **Washington Engineering Services Co., Inc.**
June 29, 1961 filed 375,000 common shares. **Price**—$1. **Business**—The servicing of manufacturing companies and engineering professions, through various training programs. **Proceeds**—For leasehold improvement, repayment of loans and working capital. **Office**—4915 Cordell Avenue, Bethesda, Md. **Underwriter**—None.

● **Washington Water Power Co. (7/25)**
June 20, 1961 filed 160,000 common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and construction. **Office** — E., 1411 Mission Avenue, Spokane, Wash. **Underwriters**—Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co., New York and Dean Witter, San Francisco.

Wayne Manufacturing Co.
May 29, 1961 filed 40,000 outstanding shares of capital stock to be offered for public sale by the present holders thereof. **Business**—The design, manufacture and sale of industrial sweepers. **Price** — To be supplied by amendment. **Office** — 1201 E. Lexington St., Pomona, Calif. **Underwriters**—Mitchum, Jones & Templeton, Los Angeles and Schwabacher & Co., San Francisco (managing).

Wej-It Expansion Products, Inc. (7/14)
May 4, 1961 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and facilities, moving equipment, inventory, working capital and repayment of a loan. **Office**—4 S. Santa Fe Dr., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., Denver, Colo.

West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Westbury Fashions, Inc.
May 10, 1961 filed 120,000 shares of common stock, of which 68,000 shares are to be offered for public sale by the company and 52,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The design, manufacture and sale of casual dresses for girls and women. **Proceeds**—For expansion, the repayment of loans, equipment, and working capital. **Office** — 1400 Broadway, New York City. **Underwriter**—McDonnell & Co., Inc., New York City.

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

Western Growth Corp.
March 17, 1961 filed 202,107 shares of class A common stock (par 10 cents), of which 150,000 shares are to be offered for public sale by the company in units of 10 shares each; and 52,107 outstanding shares by selling stockholders after trading commences. **Price**—For the company's stock: $100 per unit. For the selling stockholder: At-the-Market. **Business**—The development of property in California for single-family homes, the investment in notes or contracts secured by single-family homes, and other phases of the real estate business. **Proceeds**—For ordinary expenses, repayment of loans and working capital. **Office**—636 North La Brea Ave., Los Angeles, Calif. **Underwriter**—Reese, Scheftel & Co., Inc., New York City.

Wetterau Foods, Inc.
June 27, 1961 filed 100,000 common shares. **Price**—By amendment. **Proceeds**—For new equipment and working capital. **Office** — 7100 Englewood Ave., Hazelwood, Mo. **Underwriter** — G. H. Walker & Co., Inc., New York (managing).

Williams Brothers Co.
May 19, 1961 filed 350,000 outstanding shares of common stock to be offered for public sale by the present holders thereof. **Price** — To be supplied by amendment. **Business**—The construction of pipelines and other aspects of the heavy construction industry. **Proceeds**—For the selling stockholders. **Office**—National Bank of Tulsa Building, Tulsa, Okla. **Underwriter**—Reynolds & Co., Inc., New York City (managing).

Wonderbowl, Inc.
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

World Color Press, Inc. (7/10-14)
May 16, 1961 filed 218,000 shares of common stock of which 203,000 shares will be offered to the public and 15,000 shares to employees. **Price**—To be supplied by amendment. **Business**—The printing of magazines and newspapers. **Proceeds**—To selling stockholders. **Office**—420 DeSoto Ave., St. Louis Mo. **Underwriters**—Scherck, Richter Co., and Dempsey-Tegeler & Co., both of St. Louis, Mo. (managing).

Wyoming Wool Processors, Inc.
June 5, 1961 filed 700,000 common shares. **Price**—$1. **Business**—The processing of wool. **Proceeds**—For the purchase of equipment, building rental, and working capital. **Address**—Box 181, Casper, Wyo. **Underwriter**—None.

★ **XTRA, Inc.**
June 28, 1961 filed 182,570 common shares of which 160,000 shares are to be offered by the company and 22,570 shares by stockholders. **Price**—By amendment. **Business**—The leasing of truck trailers to railroads or customers of railroads. **Proceeds**—For repayment of debt and for working capital. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

★ **York Research Corp.**
June 28, 1961 filed 75,000 class A shares. **Price**—By amendment. **Business**—The testing of industrial and consumer products. **Proceeds**—For the establishment of a new laboratory and the purchase of equipment. **Office**—1 Atlantic Street, Stamford, Conn. **Underwriter**—Allen & Co., New York (managing).

Youngwood Electronic Metals, Inc. (7/13)
April 13, 1961 filed 75,000 shares of common stock. **Price**—$4 per share. **Business**—The design, development and manufacture of precision parts or stampings principally used in the semi-conductor industry. **Proceeds**—For the repayment of debt; inventory; research and development, and working capital. **Office** — 204 North Fifth Street, Youngwood, Pa. **Underwriters**—Bruno-Lenchner, Inc., Pittsburgh and Amos Treat & Co., New York City.

Prospective Offerings

Acoustica Associates, Inc.
April 11, 1961, it was stated that this company is seeking to acquire other firms with compatible product lines and that equity financing may be needed to finance current expansion program. **Business** — The company manufactures ultrasonic cleaning systems for missile equipment, hospital surgical instruments and the metals industry. It also makes fluorescent lighting fixtures and a product for gauging the level of liquids. **Office**—First National Bldg., Birmingham, Ala. **Underwriter**—Lehman Brothers, New York City.

★ **Adrian Steel Co.**
June 30, 1961 it was reported that a "Reg. A" will be filed with the SEC shortly covering 100,000 common shares (par 50c). **Price**—$3. **Business**—Automotive fabricating. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

All American Airways Co.
May 1, 1961 it was reported that a "Reg. A" will be filed shortly covering 75,000 shares of common stock. **Price**—$4 per share. **Office**—Danbury, Conn. **Underwriter**—Edward Lewis Co. Inc., New York City (managing).

Appalachian Power Co.
Feb. 1, 1961 it was reported that this subsidiary of American Electric Power Co., Inc., plans to sell $35,000,000 to $40,000,000 of bonds late in 1961 or early in 1962. **Office**—2 Broadway, New York City. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Harriman Ripley & Co., Inc.; Kuhn, Loeb & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Arizona Public Service Co.
May 26, 1961 it was reported that this company is considering the sale of about $5,000,000 of preferred stock this summer and about $35,000,000 of first mortgage bonds in November. **Proceeds**—For construction. **Office**—501 South Third Ave., Phoenix, Ariz. **Underwriters**—To be named. The last sale of preferred stock on June 18, 1958 was made privately through Blyth & Co., and the First Boston Corp. The last sale of bonds on March 26, 1959 was also handled privately through Blyth & Co., and First Boston Corp. However, the company stated that there is a possibility that these bonds will be sold at competitive bidding, in which case the following are expected to bid on them: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; First Boston Corp.; Blyth & Co.; White, Weld & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Assembly Engineers, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares. **Price** — $3. **Office** — Los Angeles, Calif. **Underwriter**—California Investors, Los Angeles.

Baltimore Gas & Electric Co.
May 15, 1961 it was reported that this company plans to issue about $20,000,000 of first mortgage bonds in late 1961 or early 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

Beam-Matic, Inc.
May 24, 1961 it was reported that this company plans a full filing shortly covering 100,000 shares of common stock. **Price**—$3 per share. **Business**—The manufacture and sale of hospital equipment. **Office**—25-11 49th Street, Astoria, L. I., N. Y. **Underwriter**—First Weber Securities Corp., New York City.

Carbonic Equipment Corp.
June 28, 1961 it was reported that a "Reg. A" will be filed covering 100,000 common shares. **Price** $3. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter** — R. F. Dowd & Co., Inc.

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Caxton House Corp.
Jan. 24, 1960 it was reported that a full filing of this company's stock, constituting its first public offering, will be made. **Price**—Approximately $3 per share. **Business**—Book publishing. **Office**—9 Rockefeller Plaza, New York City. **Underwriter**—To be named.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

Cincinnati Gas & Electric Co.
Feb. 16, 1961 it was stated in the company's 1960 annual report that this utility plans to sell both first mortgage bonds and common stock in 1962 to finance its $45,000,000 construction program. **Office**—Fourtin & Main Sts., Cincinnati, O. **Underwriter**—(Bonds) To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Lehman Brothers (jointly); Morgan Stanley & Co. and W. E. Hutton & Co. (jointly); Blyth & Co., Inc., and First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co., and White, Weld & Co. (jointly). The last issue of common stock (81,510 shares) was sold privately to employees in August, 1960.

Colorado Interstate Gas Co.
Oct. 17, 1960 it was reported by Mr. A. N. Porter of the company's treasury department that the company is awaiting a hearing before the full FPC with reference to approval of its application for expansion of its system, which will require about $70,000,000 of debt financing which is expected in the latter part of 1961. **Proceeds**—For expansion. **Office**—P. O. Box 1087, Colorado Springs, Colo.

Columbia Gas System, Inc.
April 24, 1961 it was reported that this company is considering the sale of either $20,000,000 of debentures, or $25,000,000 of common stock in the fall. **Office**—120 East 41st Street, New York 17, N. Y. **Underwriters**—To be determined by competitive bidding. Probable bidders on the debentures: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly). The last sale of common stock on May 4, 1960 was handled by a group headed by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co., and Carl M. Loeb, Rhoades & Co.

Columbus & Southern Ohio Electric Co.
March 13, 1961 it was reported the company will sell about $10,000,000 additional common stock in late 1961. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio. **Underwriter**—Dillon, Read & Co.

Consolidated Edison Co. of New York, Inc.
May 16, 1961, H. C. Forbes, chairman, stated that the company must issue almost $100,000,000 of securities in late 1961 and early 1962. He added that if the company decides to issue any of the 1,000,000 shares of cumulative preference stock approved by shareholders at the May 15 annual meeting, it will be on the basis of convertibility into common with subscription rights to common shareholders. **Office**—4 Irving Place, New York City. **Underwriter**—To be named. The last rights offering to stockholders (of debentures) on Jan. 28, 1959 was underwritten by Morgan Stanley & Co., and First Boston Corp., both of New York City. The last sale of bonds on Nov. 23, 1960 was handled by First Boston Corp., and Halsey, Stuart & Co., Inc. (jointly). Morgan Stanley & Co., also bid competitively on this issue.

Cosmetically Yours, Inc.
May 16, 1961 it was reported that this corporation is contemplating a public offering. **Business**—The manufacturing and sale of cosmetics. **Office** — 15 Clinton Street, Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York City.

Contact Lens Guild, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" shortly covering an undisclosed number of common shares. **Business**—The manufacture of contact lenses. **Office**—353 East Main St., Rochester, N.Y. **Underwriter**—To be named.

Cowles Magazine & Broadcasting, Inc.
May 3, 1961 it was reported that this corporation will issue stock later this year. The firm denied the report. **Business** — Publishing and allied fields. **Office** — 488 Madison Ave., New York City. **Underwriter**—Goldman, Sachs & Co., New York City (managing).

Dixie Pipeline Co.
April 17, 1961 it was reported that this firm, recently formed by eight major oil companies, plans to build a 1,100 mile liquified petroleum gas pipeline from Texas and Louisiana to Mississippi, Alabama, Georgia and the Carolinas. It is expected that the multi-million dollar pipeline will be financed in part by the sale of bonds and that it will be in operation by late 1961. **Office**—Tulsa, Okla. **Underwriters**—First Boston Corp.; Morgan Stanley & Co.; Carl M. Loeb, Rhoades & Co.

Exploit Films, Inc.
March 8, 1961 it was reported that this company plans a full filing covering 100,000 common shares. **Price**—$5 per share. **Proceeds**—For the production of TV and motion picture films, the reduction of indebtedness, and for working capital. **Office**—619 W. 54th Street, New York City. **Underwriter**—McClane & Co., Inc., 26 Broadway, New York City (managing).

First National Bank of Toms River (N. J.)
March 22, 1961 it was reported that stockholders voted on this date to increase the authorized stock to provide for payment of a 66⅔% stock dividend and sale of 20,000 new shares of common (par $5) to stockholders on the basis of one new share for each 20 shares held of record July 17, with rights to expire Aug. 17. **Price**—About $22 per share. **Proceeds**—To increase capital. **Office**—Toms River, N. J. **Underwriter**—None.

Florida Power & Light Co.
May 11, 1961, it was reported that the company may issue bonds in the second half of 1961 to finance its current $40,000,000 construction program. **Office**—25 S. E. 2nd Ave., Miami, Fla. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.; First Boston Corp.; Blyth & Co., Inc.

Gabriel Co.
April 27, 1961, the company announced plans to form a new subsidiary, Rocket Power, Inc., by merging the present Rocket Power, Talco and Bohanan divisions. In the fall of 1961, stock of the new subsidiary would be offered through subscription rights to Gabriel stockholders and debenture holders with about 20% of the offering going to the public. **Office** — 1148 Euclid Avenue, Cleveland, Ohio. **Underwriters**—To be named. The last financing by the company in September, 1959, was handled by Carl M Loeb, Rhoades & Co., New York City and Prescott, Shepard & Co., Inc., Cleveland.

General Public Utilities Corp.
March 14, 1961 it was stated in the company's 1960 annual report that the utility expects to sell additional common stock to stockholders in 1962 through subscription rights on the basis of one share for each 20 shares held. Based on the 22,838,454 common shares outstanding on Dec. 31, 1960, the offering will involve a minimum of 1,141,922 additional shares. **Office**—67 Broad St., New York 4, N. Y. **Underwriter**—None.

General Telephone Co. of California
Feb. 1, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp. plans to sell about $20,000,000 of bonds in December 1961. **Office** — 2020 Santa Monica Blvd., Santa Monica, Calif. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp. and Equitable Securities Corp. (jointly); White, Weld & Co. and Kidder, Peabody & Co. (jointly); Paine, Webber, Jackson & Curtis, and Stone & Webster Securities Corp.

General Telephone Co. of Florida
Feb. 8, 1961 it was reported that this subsidiary of General Telephone & Electronics Corp., expects to offer about $15,000,000 of bonds in November. **Office** — 610 Morgan St., Tampa, Fla. **Underwriters**—Stone & Webster Securities Corp., and Paine, Webber, Jackson & Curtis, both of New York City.

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and New York City.

Georgia Power Co. (10/18)
Dec. 29, 1960 this subsidiary of the Southern Co., applied to the Georgia Public Service Commission for permission to issue $15,500,000 of 30-year first mortgage bonds, and $8,000,000 of new preferred stock. **Proceeds**—For construction, plant modernization or refunding of outstanding debt. **Office**—Electric Bldg., Atlanta 3, Ga. **Underwriters** — To be determined by competitive bidding. Previous bidders for bonds included Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). Previous bidders for preferred were First Boston Corp., Lehman Brothers, Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; and Equitable Securities Corp. **Bids**—Expected to be received on Oct. 18.

Gluckin (Wm.) & Co., Inc.
April 19, 1961 it was reported that this subsidiary of Essex-Universal Corp., plans to sell about 200,000 common shares. **Business**—Manufactures and sells women's foundation garments. **Underwriter**—To be named.

Gulf Power Co. (12/7)
Jan. 4, 1960 it was reported that this subsidiary of The Southern Co., plans to sell $5,000,000 of 30-year bonds. **Office**—75 North Pace Blvd., Pensacola, Fla. **Underwriter**—To be determined by competitive bidding. Previous bidders included Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler and Drexel & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on Dec 7, 1961.

Hawaiian Telephone Co.
March 8, 1961 it was reported that this company plans to sell about $5,000,000 of common stock to stockholders through subscription rights later this year. **Office**—1130 Alakea St., Honolulu, Hawaii. **Underwriter**—None.

Hollywood Artists Productions, Inc.
June 20, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds** — For working capital and other corporate purposes. **Office**—350 Lincoln Road, Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., 37 Wall Street, New York.

Houston Fearless Corp.
Feb. 27, 1961, Barry J. Shillito, President, stated that the company plans to expand its Western Surgical and Westlab divisions into a new national medical and hospital supply concern. He added that 80% of the new firm's stock would be retained by Houston and the remaining 20% sold to the public. **Office** — 11801 W. Olympic Blvd., Los Angeles 64, Calif.

Houston Lighting & Power Co.
Oct. 17, 1960 Mr. T. H. Wharton, President, stated that between $25-$35 million dollars is expected to be raised publicly sometime in 1961, probably in the form of preferred and debt securities, with the precise timing depending on market conditions. **Proceeds**—For construction and repayment of bank loans. **Office** — Electric Building, Houston, Texas. **Underwriter** — Previous financing was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler.

Hygrade Packing, Inc.
June 28, 1961 it was reported that this company plans to sell about $500,000 of common stock. **Business**—The manufacture of industrial and consumer packaging. **Proceeds**—For expansion. **Office**—92-00 Atlantic Avenue, Ozone Park, N. Y. **Underwriter**—P. J. Gruber, N. Y.

Idaho Power Co.
Jan. 10, 1961 it was reported that this company plans to sell $10,000,000 of bonds and about $5,000,000 of common in the fourth quarter of 1961. **Proceeds**—To repay loans and for construction. **Underwriters**—To be determined by competitive bidding. Probable bidders on the bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co., and First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Salomon Bros. & Hutzler, and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp. Probable bidders on the common: Blyth & Co., Inc.; Lazard Freres & Co.; Kidder, Peabody & Co.: Merrill Lynch, Pierce, Fenner & Smith Inc. **Offering**—Expected in late or early November.

Illinois Terminal RR.
Jan. 16, 1961 it was reported that this company plans the sale later this year of about $8,500,000 of first mortgage bonds. **Office**—710 North Twelfth Blvd., St. Louis, Mo. **Underwriter**—Halsey, Stuart & Co. Inc., Chicago.

John's Bargain Stores Corp.
May 17, 1961 it was reported that this company plans to file a registration statement shortly covering an undisclosed number of common shares. **Business**—The operation of a chain of discount stores selling household goods. **Office**—1200 Zerega Ave., Bronx, N. Y. **Underwriter**—To be named.

Kansas Power & Light Co.
March 15, 1961 it was reported that this company is considering the issuance of $13,000,000 of debentures in the third quarter of 1961. **Proceeds**—For construction. **Office**—800 Kansas Ave., Topeka, Kan. **Underwriter**—First Boston Corp., New York City (managing).

Laclede Gas Co.
Nov. 15, 1960 Mr. L. A. Horton, Treasurer, reported that the utility will need to raise $33,000,000 externally for its 1961-65 construction program, but the current feeling is that it will not be necessary to turn to long-term securities until May 1962. **Office** — 1017 Olive St., St. Louis, Mo.

McCulloch Corp.
Jan. 9, 1961 it was reported that this corporation will schedule its initial public financing for late 1961 or some time in 1962. **Business**—The corporation manufactures Scott outboard motors and McCulloch chain saws. **Office**—6101 West Century Blvd., Los Angeles, Calif.

Macrose Industries
May 2, 1961 it was reported that this company, formerly named Macrose Lumber & Trim Co., Inc., plans a full filing of about 500,000 common shares (par $1). **Business**—The company owns a chain of lumber yards on Long Island. **Office**—2060 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—To be named.

Masters Inc.
Jan. 6, 1961 it was reported that this corporation is contemplating its first public financing. **Business**—The operation of a chain of discount houses. **Office**—135-21 38th Avenue, Flushing 54, L. I., N. Y.

Metropolitan Edison Co.
Feb. 1, 1961 it was reported that this subsidiary of General Public Utilities Corp., plans to sell about $10,000,000 of first mortgage bonds and $5,000,000 of debentures in August or September. **Office** — 2800 Pottsville Pike, Muhlenberg Township, Berks County, Pa. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Blyth & Co., Inc.

Metropolitan Food Co.
April 12, 1961 it was reported that this company plans to sell 100,000 common shares. **Price** — $5 per share. **Business** — Food distribution. **Proceeds** — For working capital. **Office** — 45-10 Second Ave., Brooklyn, N. Y. **Underwriters**—Brand, Grumet & Siegel, and Kesselman & Co., Inc., New York City (managing).

★ Metropolitan Telecommunications Corp.
July 5, 1961 it was reported that a fully registered secondary offering of this firm's stock will be made in September. **Office**—Ames Court, Plainview, L. I., New York. **Underwriter**—M. L. Lee & Co., Inc., New York (managing).

Micro-Precision Corp.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 100,000 common shares. **Price**—$3. **Business**—The development and manufacture

of language laboratories for the electronics educational field and the manufacture of electronic and microwave components. **Proceeds**—For working capital and expansion. **Office**—55 9th Street, Brooklyn, N. Y. **Underwriter**—Manufacturers Securities Corp., 511 Fifth Ave., New York.

Milo Components, Inc.
June 19, 1961 it was reported that this company plans to file a "Reg. A" covering 150,000 common shares (par 10-cents). **Price**—$1. **Business**—The manufacture of components for the missile and aircraft industries. **Proceeds**—For expansion, equipment, and working capital. **Office**—9 Cleveland St., Valley Stream, N. Y. **Underwriter**—T. M. Kirsch & Co., New York.

• Mississippi Power Co.
Jan. 4, 1961 it was reported that this subsidiary of The Southern Co., plans to sell publicly $5,000,000 of 30-year bonds and $5,000,000 of preferred stock (par $100). **Proceeds**—For construction and expansion. **Office**—2500 14th St., Gulfport, Miss. **Underwriter**—To be determined by competitive bidding. Previous bidders for bonds were Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. Previous bidders for preferred stock included Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly). **Note** — June 28, 1961 it was announced that this financing has been temporarily postponed.

Missouri Utilities Co.
April 11, 1961 it was reported that this company plans to sell about 50,000 additional common shares to stockholders in September or October on a 1-for-10 rights basis. **Office**—400 Broadway, Cape Girardeau, Mo. **Underwriter**—To be named. The last five rights offerings to stockholders were underwritten by Edward D. Jones & Co., St. Louis.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

National Airlines, Inc.
May 8, 1961, it was reported that the CAB had approved the company's plan to sell publicly 400,000 shares of Pan American World Airway's Inc., subject to final approval of the Board and the SEC. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each others jet planes during thier respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Price** — About $20 per share. **Proceeds**—To repay a $4,500,000 demand loan, and other corporate purposes. **Office**—Miami International Airport, Miami 59, Fla. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City (managing).

New England Power Co. (10/25)
Jan. 20, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—To be received on Oct. 25, 1961.

• Northern Natural Gas Co.
March 15, 1961, it was reported that some $12,000,000 to $15,000,000 of common stock will be sold to stockholders through subscription rights in September or October. **Proceeds**—For construction. **Office**—2223 Dodge St., Omaha 1, Neb. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Northern Pacific Ry. (8/1)
June 19, 1961 it was reported that this company plans the sale of about $7,200,000 of equipment trust certificates. **Office**—120 Broadway, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—To be received on Aug. 1, 1961.

Northwestern Public Service Co.
April 3, 1961 the company applied to the FPC for permisison to issue up to $4,000,000 of first mortgage bonds. **Office**—Huron, S. D. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Kidder, Peabody & Co.

Pacific Lighting Corp.
Jan. 3, 1961 it was reported by Paul A. Miller, Treasurer that the company will probably go to the market for $20,000,000 to $40,000,000 of new financing in 1961 and that it probably would not be a common stock offering. **Office**—600 California St., San Francisco 8, Calif.

Pacific Telephone & Telegraph Co.
March 24, 1961 stockholders of this A. T. & T. subsidiary approved a plan to form a new company to be known as the Pacific Northwest Bell Telephone Co. The new concern will acquire the business and properties of the Pacific Telephone-Northwest division which operates in Washington, Oregon, and Idaho. All of the stock of the new company will be owned by Pacific Telephone but "as soon as practicable" it will be offered for sale to Pacific Telephone stockholders at a price to be fixed by the Board of Directors. About 6-9 months after the stock sale, Pacific Northwest will sell debentures publicly to repay a portion of its debt. **Office**—140 New Montgomery St., San Francisco, Calif. **Underwriter**—The last offering of common stock to shareholders on Feb. 25, 1960 was not underwritten. However, A. T. & T., which owns over 90% of the outstanding shares, exercised its rights to subscribe to its pro rata share of the offering. The last sale of debentures by Pacific Telephone on Feb. 17, 1960 was underwritten by Halsey Stuart & Co., Inc. The one other competitive bid on issue was made by Morgan Stanley & Co.

Pan American World Airways, Inc.
May 8, 1961 it was reported that the CAB ordered this company to sell its 400,000 share holdings of National Airlines, Inc., and to file a plan of sale with the board within 30 days. The stock was originally obtained under a Sept. 9, 1958 agreement under which the two carriers agreed to a share-for-share exchange of 400,000 shares and the lease of each other's jet planes during their respective busiest seasons. The CAB later disapproved this plan and ordered the airlines to divest themselves of the stock. **Office**—135 East 42nd St., New York City. **Underwriter**—To be named.

Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in September, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Pennsylvania Power & Light Co.
April 11, 1961 it was stated in the 1960 annual report that this utility expects to spend $140,000,000 on new construction in the 1961 to 1965 period, of which about $56,000,000 will have to be raised through the sale of securities. However, the company now sees no necessity for the sale of equity securities, but expects to convert its present $35,000,000 of bank loans to long-term debt when securities market conditions are favorable. **Office**—9th and Hamilton Streets, Allentown, Pa. **Underwriters**—To be named. The last four bond issues were sold privately. The last public offering of bonds on Oct. 4, 1945 was underwritten by Smith, Barney & Co.; First Boston Corp.; Dillon, Read & Co., Inc., and associates.

Penthouse Club, Inc.
June 1, 1961 it was reported that this company plans to issue 60,000 common shares. **Price**—$5. **Business**—The operation of dining clubs. **Proceeds**—For expansion and working capital. **Office**—15th and Locust St., Philadelphia. **Underwriter**—To be named.

Redwing Carriers, Inc.
May 23, 1961 it was reported that this company plans to file a plan with the ICC covering a proposed sale by certain stockholders of $1,500,000 to $2,000,000 of common stock. **Business**—A truck, tank car transporter. **Proceeds**—For the selling stockholders. **Office**—Tampa, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburgh, Fla. **Offering**—Expected about mid-August.

Rochester Gas & Electric Corp. (9/27)
Jan. 24, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in September. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received about Sept. 27.

Southern California Edison Co.
May 23, 1961 it was reported that this company will need an additional $35,000,000 to finance its 1961 construction program. No decision has yet been made as to whether the funds will be raised by bank loans, or the sale of preferred stock or bonds. **Office**—601 West Fifth St., Los Angeles, Calif. **Underwriter**—To be named. The last sale of preferred stock on May 12, 1948 was handled on a negotiated basis by First Boston Corp., New York City and associates. The last sale of bonds in April 1961 was bid on by Blyth & Co.; First Boston Corp., Dean Witter & Co. (jointly); Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Equitable Securities Corp. (jointly).

Southern Natural Gas Co.
Oct. 28, 1960 it was reported by Mr. Loren Fitch, company comptroller, that the utility is contemplating the sale of $35,000,000 of 20-year first mortgage bonds sometime in 1961, with the precise timing depending on market conditions. **Proceeds** — To retire bank loans. **Office**—Watts Building, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co. and Kidder, Peabody & Co. (jointly). **Offering**—Expected in October.

• Southern Pacific Co. (7/26)
June 26, 1961 it was reported that this company plans to sell about $4,845,000 of equipment trust certificates. **Office**—165 Broadway, New York. **Underwriters**—(Competitive) Probable bidders: Halsey, Stuart & Co. Inc., and Salomon Brothers & Hutzler. **Bids**—Expected on or about July 26.

Southern Railway Co.
Nov. 21, 1960 stockholders approved the issuance of $33,000,000 of new bonds. The issuance of an unspecified amount of additional bonds for other purchases was also approved. **Proceeds** — For general corporate purposes, including the possible acquisition of Central of Georgia Ry. **Office**—Washington, D. C. **Underwriter**—Halsey, Stuart & Co. Inc., will head a group that will bid on the bonds.

Tampa Electric Co.
May 10, 1961 it was reported that this company plans to spend over $80,000,000 on new construction in the next three years. No financing is planned this year but in 1962 the company may issue bonds or common stock. **Office**—111 No. Dale Mabry Hwy., Tampa, Fla. **Underwriters**—To be named. The last sale of bonds on June 29, 1960 was handled by Halsey, Stuart & Co. Inc., New York City. Other competitive bidders were Merrill Lynch, Pierce, Fenner & Smith Inc.; Goldman, Sachs & Co.; Stone & Webster Securities Corp. The last sale of common stock on Feb. 13, 1960 was made through Stone & Webster Securities Corp.

★ Tower Construction Co.
July 5, 1961 it was reported that a registration statement will be filed shortly covering an undisclosed number of common shares. **Price**—$10 per share. **Business**—The installation and maintenance of radar, micro-wave relay and broadcast antenna towers for military and commercial use. **Office** — 2700 Hawkeye Drive, Sioux City, Iowa. **Underwriter** — C. E. Unterberg, Towbin & Co., New York (managing). **Offering**—Expected in Aug.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $32,000,000 of bonds and $10,000,000 of pfd. stock in Sept. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Universal Oil Products Co.
Jan. 17, 1961 it was reported that this company may require financing either through bank borrowings or the sale of debentures in order to further expansion in a major field which the company would not identify. No decision has been made on whether the product, named "Compound X," will be produced. **Business**—The company is a major petroleum and chemical research and process development concern. **Office**—30 Algonquin Rd., Des Plaines, Ill. **Underwriter**—To be named. The company has never sold debentures before. However, the last sale of common stock on Feb. 5, 1959 was handled by Lehman Brothers, Smith, Barney & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc., all of New York City.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

West Coast Telephone Co.
April 11, 1961 it was stated in the 1960 annual report that the company plans to spend $12,000,000 for new construction in 1961, most of which is expected to be raised by the sale of securities. **Office**—1714 California St., Everett, Wash. **Underwriter**—To be named. The last sale of bonds and preferred stock in May and July 1960 was done privately. The last sale of common on Sept. 16, 1960 was underwritten by Blyth & Co., Inc., New York City.

West Penn Power Co.
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Western Union Telegraph Co. (9/8)
June 13, 1961 it was reported that stockholders are to vote Aug. 2 on increasing the authorized common stock from 7,000,000 to 10,000,000 shares to provide for sale of about 1,070,000 shares to stockholders on the basis of one new share for each six shares held. Based on the current market price of the company's stock, the sale would raise over $45,000,000. **Proceeds**—To help finance the company's 1961, $105,000,000 expansion program. **Office**—60 Hudson St., New York. **Underwriters**—To be named. The last rights offering in July 1955, was underwritten by Kuhn, Loeb & Co.; Lehman Brothers; Clark, Dodge & Co., and Salomon Brothers & Hutzler, New York. **Registration**—Expected about July 12.

Wisconsin Power & Light Co.
Jan. 19, 1961 it was reported that this company plans to sell about $6,500,000 of preferred stock in the third quarter of 1961. **Proceeds**—For expansion. **Underwriters**—The last sale of preferred stock in May, 1958 was handled by Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (jointly).

Wisconsin Southern Gas Co.
Dec. 12, 1960 it was reported in a company prospectus that an undetermined amount of capital stock or bonds will be sold in 1961-1962. **Proceeds**—For the repayment of short-term bank loans incurred for property additions. **Office** — Sheridan Springs Road, Lake Geneva, Wis. **Underwriter**—The Milwaukee Co., Milwaukee, Wis. (managing).

Dividend Advertising Notices Appear on Page 16.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — The Kennedy Administration's catch-all housing bill is extremely liberal. It was sponsored and passed by the Democrats.

There are provisions in the new law that should not have been passed. Nevertheless, a sounder approach could not be expected in view of the extremely liberal platform adopted by the Democrats at their national convention in Los Angeles a year ago.

The total cost of the new law, as it reached President Kennedy's desk, was $9,039,000,000.

Senator John J. Sparkman of Alabama, who was Adlai E. Stevenson's Democratic Presidential running mate in 1956, and who steered the measure to passage in the Senate observed: "We got a good bill; a bill with a heart." But there are a number of his colleagues who feel that it is a bad bill.

The liberal faction in the Senate and House said in effect that the liberal-spending housing plans were designed to help the "poor folks." They sought without total success below-the-market interest rates on public housing, and on private housing they sought no down payments at all. Even so they got passed some extremely liberal provisions.

Minimum Down Payment

Under the bill, the down payment requirement for the FHA's regular 203 program, is 3% for the first $15,000 of value, 10% down payment on the next $5,000, and 20% on the balance over $20,000.

For all practical purposes the down payment under the sales housing program will amount to only 3%. This may include closing costs. The Kennedy Administration had recommended no down payments under this program, and a number of the Administrations stalwarts in both houses sought to comply.

Senator Albert Gore, Democrat of Tennessee, is not regarded as a conservative, but he led the successful attack on the no down provision. He declared with justification: "Why, it is necessary to make a down payment on a second-hand automobile, on a washing machine, or even a bicycle . . . I do not understand why it is not practical to require a down payment for a family moving into a new home with freshly sanded floors and freshly painted walls."

A champion of low interest rates, Senator Russell B. Long of Louisiana, unquestionably helped turn the tide against the no-down payment provision. During the debate, the Senator from the Bayou country flipped open the booklet containing the transcript of the hearings on the housing bill. Mr. Long cited a table charting the equity a man buying a $10,000 house under the proposed plan would have at any point during his 40-year mortgage.

"After he (the owner) has been paying for 20 years, with no down payment, he has an equity of $312," said Senator Long. "That amounts to a 4% equity, which is 1% less than it would cost him to hire a real estate agent to get rid of the house for him. The complete irresponsibility of a mere 4% equity at the end of 20 years is something I cannot get along with."

Had not Tennessee's Gore won his amendment, the Administration housing bill would have been substantially more liberal.

Aid for "Displacees"

One of the major compromises reached between the Senate and House conferees before it went to the White House was the maximum amortization period. The Administration requests 40-year loans which are allowed under the present program for displacees. Incidentally, there are thousands upon thousands of families being displaced in the United States as a result of the vast Interstate highway program of 41,000 miles of wide, multi-laned roads criss-crossing the country.

In the final version 40-year loans are authorized for the displacees with the provision that in hardship cases the authorities are permitted to grant an additional five years to a buyer who could not meet the monthly payments under the shorter term.

Congress extended the provision involving below interest rate loans for rental housing for the lower division of middle income families.

FNMA to Be Busy

A change of importance to lenders is written into this law. It authorizes the Federal Housing Administration, in case of defaults, to pay lenders off in cash instead of debentures.

Under the new housing law there is a further liberalization of increases in maximum mortgage. A mortgage for single family houses is raised from $22,500 to $25,000, and for two family houses mortgages are increased to $27,500.

According to Republican contentions, the Federal National Mortgage Association is going to have a tremendous amount of spending authority. Some of the Republican opponents of the law maintain that during the next four fiscal years the Federal National Mortgage Association will have $1,550,000,000 instead of $750,000,000 for its financing authority. The Administration had asked for $750,000,000.

A $2,000,000,000 grant authority for the urban renewal program is authorized. Of the funds available for urban renewal grants, $25,000,000 would be set aside for grants for mass transportation demonstration projects in urban areas.

The loan program for the mass transportation demonstration projects authorizes $50,000,000 instead of $100,000,000 as originally proposed.

More Public Housing

The new law extends the public housing act and authorizes 100,000 units. The act, as finally agreed on, also authorizes $75,000,000 of direct lending funds for elderly housing. The Senate had authorized $50,000,000 of grants for elderly housing and the House approved an authorization of $100,000,000, so the final figure represented a compromise.

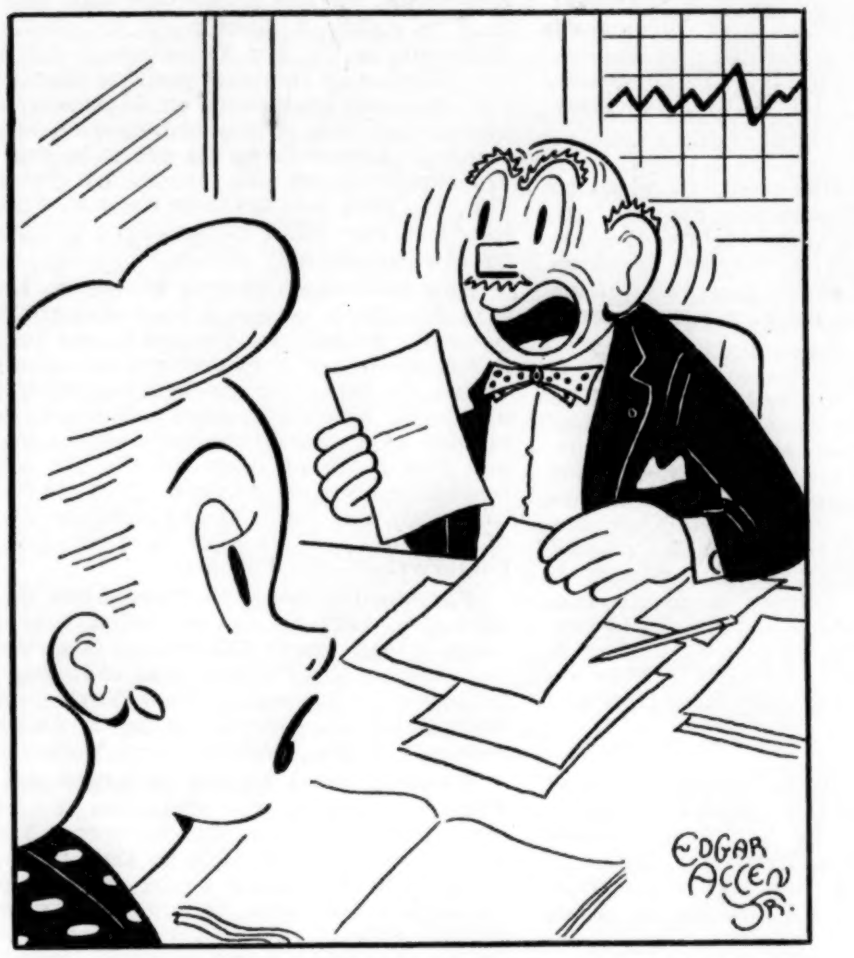
Public facility loans for the Housing and Home Finance Agency was approved in the sum of $500,000,000 although the Senate had sought to limit the sum to $150,000,000.

The new housing law bears a new "open space" proposal. There is provided the sum of $50,000,000 for Federal grants to assist areas in acquiring open space land for the development of parks, playgrounds, swimming pools, etc.

The legislation obviously will create a substantial amount of building. It is going to take a tremendous borrowing of funds to carry out the program. Obviously, the Federal Government is going to do considerable subsidizing.

The House-passed version would have permitted FHA to insure land development loans. Wisely this was eliminated in conference. Insuring the loans on such land development projects probably would have encouraged speculation in land development.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]



"No, it wouldn't make my market forecasting more scientific if I used tea leaves!"

Opens Inv. Office

CARNEGIE, Pa.—Violet J. Szikla is engaging in a securities business from offices on Revere Road.

Forms Mellinger Co.

EPHRATA, Pa.—Albert H. Mellinger is conducting a securities business from offices at 134 Cherry Street under the firm name of Mellinger & Co.

COMING EVENTS

IN INVESTMENT FIELD

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers' Association annual field day.

Oct. 4, 1961 (New York City)
New York Group of Investment Bankers Association meeting.

Oct. 7, 1961 (New York City)
Security Traders Association of New York annual dinner dance at Hotel Commodore.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 9-12, 1961 (Rochester, N. Y.)
National Association of Bank Women Annual Convention at the Sheraton Hotel.

Oct. 10, 1961 (Toronto)
Canadian Group of Investment Bankers Association meeting.

Oct. 13, 1961 (Montreal, Canada)
Canadian Group of Investment Bankers Association meeting.

Oct. 13-15, 1961 (White Sulphur Springs, W. Va.)
Southeastern Group of Investment Bankers Association meeting.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Oct. 17, 1961 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 19, 1961 (Pennsylvania)
Western Pennsylvania Group of Investment Bankers Association meeting at Rolling Rock, Pa.

October 20-21, 1961 (Milwaukee, Wis.)
National Association of Investment Clubs 11th annual national convention at the Hotel Schroeder.

Oct. 24, 1961 (Minneapolis-St. Paul)
Minnesota Group of Investment Bankers Association annual meeting.

Oct. 26, 1961 (Louisville, Ky.)
Ohio Valley Group of Investment Bankers Association annual meeting.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual midyear meeting.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

T. L. Boys Joins Mercer Management

Thomas L. Boys has joined Mercer Management Corporation, 115 Broadway, New York City, as wholesale representative.

Mr. Boys was previously Director of Sales for G. D. I. Plans Distributors, Inc., subsidiary of General Development Corp. He was formerly with the mutual fund departments of Financial Planning Corp. and Renyx, Field & Co., wholly-owned subsidiary of Templeton, Damroth Corp.